



MINNESOTA
DEPARTMENT OF
COMMERCE

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-3165
www.commerce.state.mn.us
651.296.4026 FAX 651.297.1959
An equal opportunity employer

September 30, 2009

THOMAS HIGIER
HIGIER ALLEN & LAUTIN PC
5057 KELLER SPRINGS ROAD SUITE 600
ADDISON, TX 75001

Re: F-5312
DICKY'S BARBECUE RESTAURANTS INC
DICKY'S BARBECUE RESTAURANTS INC F/A

Dear Mr. Higier:

The Annual Report has been reviewed and is in compliance with Minnesota Statute Chapter 80C and Minnesota Rules Chapter 2860.

This means that there continues to be an effective registration statement on file and that the franchisor may offer and sell the above-referenced franchise in Minnesota.

The franchisor is not required to escrow franchise fees, post a Franchise Surety Bond or defer receipt of franchise fees during this registration period.

As a reminder, the next annual report is due within 120 days after the franchisor's fiscal year end, which is May 31, 2010.

Sincerely,

GLENN WILSON
Commissioner

By:

Daniel Sexton
Commerce Analyst Supervisor
Registration Division
(651) 296-4520

GW:DES:dlw

UNIFORM FRANCHISE REGISTRATION APPLICATION

File No.: F-5312

State of Minnesota
Department of Commerce

SEP 29 2009

State: Minnesota

Fee: \$200.00

Rec'd \$ 200

APPLICATION FOR (Check only one):

☐ INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES

☒ RENEWAL APPLICATION OR ANNUAL REPORT

☐ PRE-EFFECTIVE AMENDMENT

☐ POST-EFFECTIVE MATERIAL AMENDMENT

1. Full legal name of Franchisor:

Dickey's Barbecue Restaurants, Inc.

2. Name of franchise offering:

Dickey's Barbecue

3. Franchisor's principal business address:

4514 Cole Avenue, Suite 1100
Dallas, Texas 75205

4. Name and address of Franchisor's agent in this state authorized to receive process.

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

5. The states in which this application is or will be shortly on file:

California, New York, Illinois, Indiana, Michigan, Maryland, Minnesota, Washington,
Hawaii, Rhode Island, North Dakota, South Dakota, Wisconsin, Virginia

6. Name, address and telephone number of person to whom communications regarding this application should be directed.

Thomas Higier
Higier Allen & Lautin, P.C.
5057 Keller Springs Road, Suite 600
Addison, Texas 75001
972-716-1888

9-30-09

A/R

5/31



Attorneys & Counselors

5057 Keller Springs Road • Suite 600 | Addison, Texas | 75001

p: 972.716.1888 | f: 972.716.1899

www.higierallen.com

September 25, 2009

Via Federal Express

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
Attn: Ann Hagestad

Re: Application for Renewal of Franchise Registration of an Offer and Sale of Dickey's Barbecue Restaurants, Inc. Franchises – Fiscal Year Ending May 31, 2009; Your File: F-5312

Dear Ms. Hagestad:

Enclosed please find the following items which I am submitting to you in order to effect the annual renewal of the registration by Dickey's Barbecue Restaurants, Inc. to offer franchises in the State of Minnesota:

1. Check in the amount of \$200.00 payable to the Minnesota Department of Commerce for the registration renewal fee;
2. FORM A – Uniform Franchise Registration Application and Certification;
3. FORM B – Franchisor's Costs and Source of Funds;
4. FORM C – Uniform Franchise Consent to Service of Process;
5. FORM D – Franchise Seller Disclosure Form for Owen Edwards (to be added to the seller disclosures currently on file);
6. FORM E – Guarantee of Performance (Not Applicable);
7. FORM F – Consent of Accountant;
8. FORM G – Sample State Cover Page;
9. Franchise Disclosure Document complete with exhibits as required therein;
10. Black-lined Pages of Franchise Disclosure Document, Franchise Agreement and Development Agreement indicating changes made to the 2008 renewal.

If you should require any additional information or if you have any questions regarding the enclosed items, please feel free to contact me. Thank you in advance for your prompt processing of this renewal application.

Very truly yours,

HIGIER ALLEN & LAUTIN, P.C.

A handwritten signature in black ink, appearing to read "Thomas Higier", is written over the printed name.

Thomas Higier

TH/cdd

Enclosures

cc: Roland Dickey, Jr. (Via Fed Ex) (w/enc.)
Jocelyn Baron (Via Fed Ex) (w/o enc.)
Stefan Zane (of the firm) (w/o enc.)

CERTIFICATION

i certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of September 4, 2009, attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at Dallas, Texas, on September 3, 2009.

FRANCHISOR:

DICKEY'S BARBECUE RESTAURANTS, INC.

By:

Roland Dickey, Jr., President

STATE OF TEXAS

§

COUNTY OF DALLAS

§

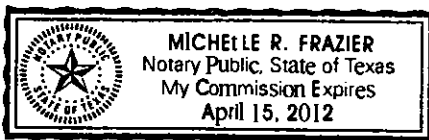
This instrument was acknowledged before me on this 3rd day of September, 2009, by Roland Dickey, Jr., President of Dickey's Barbecue Restaurants, Inc., a Texas corporation, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.

Michelle R. Frazier

Notary Public in and for the State of Texas

Michelle R. Frazier
(Type or Print Name)

[NOTARY STAMP]



Form B – Franchisor's Cost

Franchisor's Costs and Sources of Funds for Establishing New Franchises

1. Disclose franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchise, including real estate, improvements, equipment, inventory, training and other items stated in the offering.

	<u>Low</u>	<u>High</u>
General Marketing	\$ 1,500.00	\$ 1,500.00
Target Area Media	1,000.00	2,000.00
Site Inspections	1,000.00	2,500.00
Pre-Opening Assistance	1,000.00	2,500.00
Training	2,000.00	2,000.00
Administrative Services	1,000.00	2,000.00
Marketing Costs and Commissions	7,500.00	15,000.00
Professional Fees	1,000.00	2,000.00
Real Estate	Not Applicable	Not Applicable
Improvements	Not Applicable	Not Applicable
Equipment	Not Applicable	Not Applicable
Inventory	Not Applicable	Not Applicable
Total	<u>\$ 16,000.00</u>	<u>\$29,500.00</u>

2. State separately the sources of all required funds.

Dickey's Barbecue Restaurants, Inc. believes that the total costs, including sales commissions, for performing its pre-opening obligations to provide goods and services in connection with establishing a franchise ranges from \$16,000 to \$29,500 per franchise (see above for a more detailed breakdown). Dickey's Barbecue Restaurants, Inc. believes it will have sufficient funds to perform its pre-opening obligations from (i) available cash on hand which, according to the audited financial statements of May 31, 2009, equaled \$48,674.00 and (ii) internally generated revenues from royalties, franchise fees, and other sources, which, according to the audited financial statement of May 31, 2009, equaled \$6,299,445.00 (excluding restricted funds) for its prior fiscal year ending May 31, 2009.

UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

Dickey's Barbecue Restaurants, Inc., a corporation organized under the laws of the State of Texas (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

X California: Commissioner of Corporations	X New York: Secretary of State
X Hawaii: Commissioner of Securities	X North Dakota: Securities Commissioner
X Illinois: Attorney General	X Rhode Island: Director, Department of Business Regulation
X Indiana: Secretary of State	X South Dakota: Director of Division of Securities
X Maryland: Securities Commissioner	X Virginia: Clerk, Virginia State Corporation Commission
X Michigan: Attorney General	X Washington: Director of Financial Institutions
X Minnesota: Commissioner of Commerce	X Wisconsin: Administrator, Division of Securities, Department of Financial Institutions

Please mail or send a copy of any notice, process or pleading served under this consent to:

Roland Dickey, Jr.
Dickey's Barbecue Restaurants, Inc.
4514 Cole Avenue, Suite 1100
Dallas, Texas 75205

Dated: September 3, 2009.

FRANCHISOR:

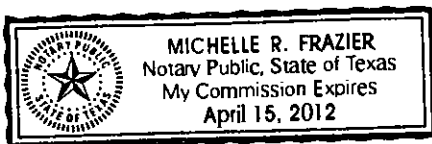
DICKEY'S BARBECUE RESTAURANTS, INC.,
a Texas corporation

By: [Signature]
Roland Dickey, Jr., President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 3rd day of September, 2009, by Roland Dickey, Jr., President of Dickey's Barbecue Restaurants, Inc., a Texas corporation, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.

[NOTARY STAMP]



[Signature]
Notary Public in and for the State of Texas
Michelle R. Frazier
(Type or Print Name)

FORM E

GUARANTY

--NOT APPLICABLE--

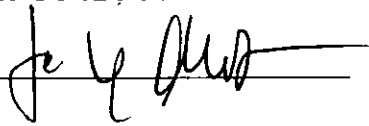
Form F – Consent of Accountant

August 28, 2009

AUDITOR'S CONSENT

Auerbach Albert & Gold, LLC consents to the use in the Franchise Disclosure Document issued by Dickey's Barbecue Restaurants, Inc. ("Franchisor") on September 4, 2009, as it may be amended, of our report dated July 31, 2009, relating to the financial statements of Franchisor for the period ending May 31, 2009, May 31, 2008, and May 31, 2007.

AUERBACH ALBERT & GOLD, LC

By: 
Name: James Y. Albert
Title: Partner

Dallas, Texas

FORM G

SAMPLE STATE COVER PAGE AND SAMPLE STATE EFFECTIVE DATES

FRANCHISE DISCLOSURE DOCUMENT

DICKEY'S BARBECUE RESTAURANTS, INC.,
A TEXAS CORPORATION
4514 COLE AVENUE, SUITE 1100
DALLAS, TEXAS 75205
(972) 248-9899
WWW.DICKEYS.COM



The franchisee will operate under the name and mark "Dickey's Barbecue Pit" one (1) or more fast casual counter service restaurants specializing in freshly prepared barbecue style meats and other food products. The total investment necessary to begin operation of a Dickey's Barbecue Pit franchise is between \$337,900 and \$459,600 for a 1,500 square foot restaurant. This includes the initial franchise fee that must be paid to the franchisor or affiliate. The amount of the initial franchise fee depends upon whether you acquire the rights to open a single restaurant under a franchise agreement or whether you acquire the rights to develop and operate more than one (1) restaurant unit under a development agreement:

1. If you acquire the right to operate a single restaurant unit under a franchise agreement, the initial franchise fee is \$30,000.
2. If you acquire the right to develop and operate more than (1) restaurant unit under a development agreement, you will be required to pay to Dickey's a development fee of \$30,000 plus \$10,000 for each restaurant after the initial restaurant. You will also be required to pay a franchise fee of \$30,000 for each restaurant, but this \$30,000 fee will be reduced to \$10,000 for each restaurant after the first restaurant if you meet certain development milestones. From the development fee, \$30,000 will be applied to the franchise fee for the initial restaurant, and \$10,000 shall be applied towards the \$10,000 franchise fee (if you meet certain milestones) for each subsequent restaurant.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the federal trade commission ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit a public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: _____

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

CALIFORNIA	September 20, 2008
HAWAII	August 31, 2008
ILLINOIS	September 30, 2008
MICHIGAN	October 1, 2008
NORTH DAKOTA	October 23, 2008
RHODE ISLAND	September 30, 2008
SOUTH DAKOTA	September 28, 2008
WASHINGTON	October 20, 2008
WISCONSIN	September 29, 2008
MARYLAND	January 28, 2009
MINNESOTA	December 3, 2008
VIRGINIA	January 28, 2009
NEW YORK	October 3, 2008
INDIANA	October 31, 2008

Disclose:

- A. The states in which this proposed registration application is effective: California, New York, Illinois, Indiana, Michigan, Maryland, Minnesota, Washington, Hawaii, Rhode Island, North Dakota, South Dakota, Wisconsin, Virginia
- B. The states in which this proposed registration application is or will be shortly on file: None.
- C. The states that have refused to register this franchise offering: None
- D. The states that have revoked or suspended the right to offer franchises: None
- E. The states in which this proposed registration of these franchises has been withdrawn within the last five years, and the reasons for revocation or suspension: None

EXHIBIT A
FINANCIAL STATEMENTS

**DICKEY'S BARBECUE RESTAURANTS, INC.
FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEARS ENDED
MAY 31, 2009, 2008 AND 2007**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Stockholders of Dickey's Barbecue Restaurants, Inc.

We have audited the accompanying balance sheet of Dickey's Barbecue Restaurants, Inc. (a Texas corporation) (the Company) as of May 31, 2009, 2008 and 2007 and the related statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the company as of May 31, 2009, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'Auerbach Albert & Gold, L.C.', is written over the printed name.

Auerbach Albert & Gold, L.C.
Certified Public Accountants

Dallas, Texas
July 31, 2009

DICKEY'S BARBECUE RESTAURANTS, INC.
BALANCE SHEET
MAY 31, 2009, 2008 AND 2007

ASSETS

	<u>2009</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS			
Cash	\$ 48,674	\$118,025	\$ 84,714
Cash – restricted	6,620	46,367	7,713
Accounts receivable, net of allowance for doubtful accounts of \$0	590,666	514,114	415,925
Income tax receivable	77,444		
Prepaid commissions and expenses	273,412	91,222	9,446
Deferred tax asset	15,210	6,742	4,186
Investment securities	1,697	1,697	1,697
Due from related parties, net of allowance for doubtful accounts of \$59,938 (2009 and 2008)	<u>41,860</u>	<u>41,860</u>	<u>76,518</u>
Total Current Assets	<u>1,055,583</u>	<u>820,027</u>	<u>600,199</u>
PROPERTY AND EQUIPMENT			
Vehicles	223,762	168,163	150,600
Computer equipment	45,348	45,348	44,146
Furniture and equipment	50,469	50,469	50,469
Leasehold improvements	<u>16,849</u>	<u>16,849</u>	
	336,428	280,829	245,215
Accumulated depreciation	<u>(212,380)</u>	<u>(164,118)</u>	<u>(140,306)</u>
Net Property and Equipment	<u>124,048</u>	<u>116,711</u>	<u>104,909</u>
OTHER ASSETS			
Franchise development fees, less amortization of \$89,031 (2009), \$87,365 (2008) and \$85,697 (2007)	<u>969</u>	<u>2,635</u>	<u>4,303</u>
Total Other Assets	<u>969</u>	<u>2,635</u>	<u>4,303</u>
TOTAL ASSETS	<u>\$1,180,600</u>	<u>\$939,373</u>	<u>\$709,411</u>

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
BALANCE SHEET (CONTINUED)
MAY 31, 2009, 2008 AND 2007

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2009</u>	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES			
Accounts payable	\$ 711,402	\$ 303,955	\$ 274,447
Accrued expenses and other current liabilities	185,352	141,968	75,006
Current portion of notes payable	30,797	22,700	27,925
Due to related parties	172,353	107,285	42,281
Income taxes payable	<u>44,321</u>	<u>44,321</u>	<u>50,943</u>
Total Current Liabilities	<u>1,099,904</u>	<u>620,229</u>	<u>470,602</u>
LONG-TERM LIABILITIES			
Notes payable, net of current portion	58,288	39,493	45,659
Due to related parties, net of current portion	5,665	8,592	
Deferred tax liability	<u>9,995</u>	<u>2,082</u>	<u>1,952</u>
Total Long-Term Liabilities	<u>73,948</u>	<u>50,167</u>	<u>47,611</u>
STOCKHOLDERS' EQUITY			
Common stock, \$.01 par value; 200,000 shares authorized, 100,000 shares issued and outstanding	1,000	1,000	1,000
Additional paid-in capital	63,500	63,500	63,500
Retained earnings	<u>(57,752)</u>	<u>204,477</u>	<u>126,698</u>
Total Stockholders' Equity	<u>6,748</u>	<u>268,977</u>	<u>191,198</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$1,180,600</u>	<u>\$939,373</u>	<u>\$709,411</u>

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MAY 31, 2009, 2008 AND 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
REVENUE			
Operating income	\$4,400,755	\$3,671,742	\$2,587,173
Franchise fees	1,065,010	1,284,000	1,225,510
Advertising income	1,822,659	1,343,703	729,999
Total Revenue	<u>7,288,424</u>	<u>6,299,445</u>	<u>4,542,682</u>
COST OF SALES			
Franchise setup costs	1,121,128	1,200,579	1,128,336
Franchise maintenance costs	668,096	238,283	68,396
Total Cost of Sales	<u>1,789,224</u>	<u>1,438,862</u>	<u>1,196,732</u>
GROSS PROFIT	5,499,200	4,860,583	3,345,950
SELLING AND ADMINISTRATIVE EXPENSES	<u>5,819,602</u>	<u>4,738,898</u>	<u>3,238,876</u>
INCOME (LOSS) FROM OPERATIONS	<u>(320,402)</u>	<u>121,685</u>	<u>107,074</u>
OTHER INCOME			
Interest income	734	1,827	3,263
Interest expense	(11,688)	(4,211)	(8,139)
Total Other Income (Expenses)	<u>(10,954)</u>	<u>(2,384)</u>	<u>(4,876)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(331,356)	119,301	102,198
PROVISION FOR INCOME TAXES			
Current tax expense (benefit)	(73,572)	33,948	50,943
Deferred tax expense (benefit)	(555)	(2,426)	(6,140)
	<u>(74,127)</u>	<u>31,522</u>	<u>44,803</u>
NET INCOME (LOSS)	<u>(\$ 257,229)</u>	<u>\$ 87,779</u>	<u>\$ 57,395</u>

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MAY 31, 2009, 2008 AND 2007

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>
Balance at June 1, 2006	\$ 1,000	\$ 63,500	\$ 69,303
Net income	_____	_____	<u>57,395</u>
Balance at May 31, 2007	1,000	63,500	126,698
Net income			87,779
Dividends paid	_____	_____	(10,000)
Balance at May 31, 2008	1,000	63,500	204,477
Net income (loss)			(257,229)
Dividends paid	_____	_____	(5,000)
Balance at May 31, 2009	<u>\$ 1,000</u>	<u>\$ 63,500</u>	<u>(\$ 57,752)</u>

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2009, 2008 AND 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
OPERATING ACTIVITIES:			
Net income (loss)	(\$ 257,229)	\$ 87,779	\$ 57,395
Adjustments to reconcile net income (loss) to net cash provided by (used) operating activities:			
Amortization and depreciation	49,929	38,053	36,804
Change in:			
Accounts receivable	(76,552)	(98,189)	26,632
Income tax receivable	(77,444)		
Receivable from sublessor			188,827
Prepaid expenses and other assets	(182,190)	(81,776)	55,764
Due from related parties		34,658	(38,133)
Deferred tax asset	(8,468)	(2,556)	(4,186)
Accounts payable	407,447	29,508	(83,654)
Accrued expenses and other current liabilities	43,384	66,962	18,852
Income tax payable	(44,321)	(6,622)	31,592
Deferred tax liability	7,913	130	(1,955)
Lease obligation payable			(188,827)
Deferred franchise fees	<u> </u>	<u> </u>	(140,000)
Net cash provided (used) by operating activities	(137,531)	67,947	(40,889)
INVESTING ACTIVITIES:			
Restricted funds	39,747	(38,654)	(1,556)
Purchase of property and equipment	(55,600)	(48,187)	(61,706)
Net cash provided (used) by investing activities	(15,853)	(86,841)	(63,262)
FINANCING ACTIVITIES:			
Issuance of notes payable	57,828	17,563	50,082
Increase in due to related parties	62,141	73,596	42,281
Payments on notes payable	(30,936)	(28,954)	(28,120)
Dividends paid	(5,000)	(10,000)	-
Net cash provided (used) by financing activities	84,033	52,205	64,243

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2009, 2008 AND 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69,351)	33,311	(39,908)
Cash and cash equivalents - beginning of year	<u>118,025</u>	<u>84,714</u>	<u>124,622</u>
Cash and cash equivalents - end of year	<u>\$ 48,674</u>	<u>\$ 118,025</u>	<u>\$ 84,714</u>
<u>Supplemental Information</u>			
Interest paid	<u>\$ 11,688</u>	<u>\$ 5,961</u>	<u>\$ 6,389</u>
Taxes paid	<u>\$ 48,193</u>	<u>\$ 40,570</u>	<u>\$ 20,772</u>

See notes to financial statements.

DICKEY'S BARBECUE RESTAURANTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2009, 2008, AND 2007

Note 1: Organization

Dickey's Barbecue Restaurants, Inc. (the "Company") was incorporated in 1994 under the laws of the State of Texas. The Company was formed for the purpose of franchising barbecue restaurants. At May 31, 2009 Dickey's Barbecue Restaurants, Inc. had 106 operating franchises and 65 more in various stages of becoming operational. Most of the operating franchises are located in Texas, with the exception of 38 current operating locations in other states and 60 currently in the development phase. The Company's management team has successfully operated barbecue restaurants at various locations in Texas since 1941.

Note 2: Summary of Significant Accounting Policies

Basis of presentation - The accompanying financial statements are presented in accordance with the accrual basis of accounting.

Income Taxes - Deferred income taxes are determined utilizing the asset and liability approach in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Accordingly, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities and the net operating loss carry forwards, using enacted tax rates in effect for the year in which the differences are expected to reverse.

Franchise Development Fees - Franchise Development Fees are carried at cost, less accumulated amortization. Amortization is computed using the straight-line method over a period of 5-15 years.

Revenue and Expenses - Operating income consists of contractual franchise royalties based on a percentage of monthly sales which are recognized as revenue in the month earned. Supplier incentives not included in advertising income are also included in the operating income category.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by the franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist. For the year ended May 31, 2009 there were \$955,000 in initial franchise fees.

DICKEY'S BARBECUE RESTAURANTS, INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2009, 2008, AND 2007
(CONTINUED)

Note 2: Summary of Significant Accounting Policies (continued)

Franchise owners receive assistance in such areas as real estate site selection, construction consulting, purchasing and marketing from Company personnel. The costs of providing such assistance, whether in pre or post opening phases, are expensed as incurred.

In some instances where contractual agreements exist, commissions for new franchises are paid to third parties. These commissions are generally recognized as an expense when the related franchise fee revenue is earned.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash in banks and short-term investments that have initial remaining maturities of three months or less when acquired. As of May 31, 2009, there were no cash and cash equivalents which exceeded the federally insured limits. Cash balances related to the Marketing Fund are considered restricted cash.

Property and equipment – Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows: vehicles – 5 years; furniture and equipment – 5 to 7 years; and computer equipment – 3 to 5 years. Depreciation expense for the years ended May 31, 2009, 2008 and 2007 was \$48,263, 36,385, and 35,183, respectively.

Accounts Receivable – Trade accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Compensated Absences – Compensated absences for vacation pay, sick pay, and personal time off have been accrued since they can be reasonably estimated.

Advertising and Marketing – The Company maintains a Marketing Fund, which includes contractual advertising and marketing fees paid monthly by franchisees and incentives paid by certain suppliers for promotion and utilization of their products in the franchise locations. Production costs of advertising, TV or radio commercials,

DICKEY'S BARBECUE RESTAURANTS, INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2009, 2008, AND 2007
(CONTINUED)

Note 2: Summary of Significant Accounting Policies (continued)

programming and other marketing activities are paid out of the Marketing Fund and charged to operations as incurred. Total expenses for the years ended May 31, 2009, 2008, and 2007 were approximately \$1,793,000, \$1,342,000 and \$803,000, respectively.

The franchise agreements generally require a predetermined percentage of the franchisee's gross monthly revenue to be paid to the Marketing Fund for related advertising and marketing. The predetermined percentage of the franchisee's gross monthly revenue varies by contract and ranges from 1% to 2%. Funds collected for advertising and marketing under the franchise agreements that are restricted for that purpose are recorded as deferred revenue and are recognized as revenue once the related advertising costs are expensed. A receivable from franchises is recognized in cases where the advertising expenses exceed marketing fee collections in a given period. In either case no profit is recognized from advertising and marketing fees collected in accordance with the franchise agreement.

Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Note 3: Related Party Transactions

Consulting fees paid by the Company to related parties and/or affiliated companies directly or indirectly owned and/or controlled by the Company's officers, shareholders or their immediate families totaled \$487,430, \$443,301, and \$317,228 for the years ended May 31, 2009, 2008, and 2007, respectively.

NOTES RECEIVABLE, RELATED PARTY

At May 31, 2009, the Company had \$36,338 due from affiliated companies, as well as, shareholder advances in the amounts of \$33,580, 7,880 and \$24,000. These arrangements are unsecured. The latter bears interest at 10% and matured September 15, 2007. The other two have no specified repayment terms.

DICKEY'S BARBECUE RESTAURANTS, INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2009, 2008, AND 2007
(CONTINUED)

Note 3: Related Party Transactions (continued)

DUE TO RELATED PARTIES

Due to related parties consist of the following:

Notes payable to related party, interest at 8%, payable June 20, 2009 through June 30, 2010, unsecured	\$ 170,938
Advance from related party	<u>7,080</u>
Total	<u>\$ 178,018</u>

Note 4: Income Taxes

As of May 31, 2009, the deferred tax asset and liability recognized consists of the following components:

Deferred Income Tax Asset	
Accrued vacation and professional fees	\$ 15,210
Deferred Income Tax Liability	
Depreciation timing differences	<u>9,995</u>
Net deferred asset	<u>\$ 5,215</u>

The provision for income taxes for the year ended May 31, 2009 consists of the following:

Current Federal Tax Benefit	(\$ 73,572)
Deferred Tax Benefit	<u>(555)</u>
Total Tax Provision	<u>(\$ 74,127)</u>
Effective tax rate	22%
Prior year under-accrual and permanent differences	<u>7%</u>
Effective statutory rate	<u>29%</u>

As of May 31, 2009, the tax returns for fiscal years ended May 31, 2006 and after remained subject to examination by the IRS.

DICKEY'S BARBECUE RESTAURANTS, INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2009, 2008, AND 2007
(CONTINUED)

Note 5: Leases

The Company leases office space, office equipment and certain vehicles under lease agreements classified as operating leases. The following is a schedule by year of future minimum lease payments required under operating leases that have initial or remaining non cancelable lease term in excess of one year as of May 31, 2009:

2010	\$ 167,744
2011	128,431
2012	38,299
	<u>\$ 334,474</u>

Related rent expense for the years ended May 31, 2009, 2008 and 2007 was \$155,565, \$119,087 and \$115,615, respectively.

Note 6: Notes Payable

The Company purchases certain vehicles used in operations through retail installment loan agreements generally payable over 48 months with interest rates ranging from 0-9% and secured by the underlying assets. The following is a schedule by year of future aggregate installments on maturities of retail installment loan agreements as of May 31, 2009:

2010	\$ 30,797
2011	21,421
2012	12,041
2013	9,851
2014	10,449
Thereafter	4,526
	89,085
Less current portion	(30,797)
	<u>\$ 58,288</u>

Note 7: Retirement Plan

The Company maintains a SIMPLE IRA account for all eligible employees. In addition to the employee's elective deferral, the Company matches an amount not exceeding 3% of employee's gross compensation. Contributions made for the years ended May 31, 2009, 2008 and 2007 were \$35,086, \$24,139 and \$18,824, respectively.

DICKEY'S BARBECUE RESTAURANTS, INC.

FRANCHISE DISCLOSURE DOCUMENT



FRANCHISE DISCLOSURE DOCUMENT

**DICKEY'S BARBECUE RESTAURANTS, INC.,
A TEXAS CORPORATION
4514 COLE AVENUE, SUITE 1100
DALLAS, TEXAS 75205
(972) 248-9899
WWW.DICKEYS.COM**



The franchisee will operate under the name and mark "Dickey's Barbecue Pit"™ one (1) or more fast casual counter service restaurants specializing in freshly prepared barbecue style meats and other food products. The total investment necessary to begin operation of a Dickey's Barbecue Pit franchise is between \$337,900 and \$459,600 for a 1,500 square foot restaurant. This includes the initial franchise fee that must be paid to the franchisor or affiliate. The amount of the initial franchise fee depends upon whether you acquire the rights to open a single restaurant under a franchise agreement or whether you acquire the rights to develop and operate more than one (1) restaurant unit under a development agreement:

1. If you acquire the right to operate a single restaurant unit under a franchise agreement, the initial franchise fee is \$30,000.
2. If you acquire the right to develop and operate more than (1) restaurant unit under a development agreement, you will be required to pay to Dickey's a development fee of \$30,000 plus \$10,000 for each restaurant after the initial restaurant. You will also be required to pay a franchise fee of \$30,000 for each restaurant, but this \$30,000 fee will be reduced to \$10,000 for each restaurant after the first restaurant if you meet certain development milestones. From the development fee, \$30,000 will be applied to the franchise fee for the initial restaurant, and \$10,000 shall be applied towards the \$10,000 franchise fee (if you meet certain milestones) for each subsequent restaurant.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the federal trade commission ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit a public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: _____.

STATE COVER PAGE

**DICKEY'S BARBECUE RESTAURANTS, INC., A TEXAS CORPORATION,
4514 COLE AVENUE, SUITE 1100
DALLAS, TEXAS 75205
(972) 248-9899; WWW.DICKEYS.COM**

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administration before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.** If you learn that anything in this Disclosure Document is untrue, contact the FTC and the appropriate State authority.

Call the state franchise administrator listed in Exhibit F for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

- 1. EXCEPT AS PROHIBITED UNDER APPLICABLE MINNESOTA LAW, THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH DICKEY'S BY NONBINDING MEDIATION AND, IF NONBINDING MEDIATION IS UNSUCCESSFUL, TO BY ARBITRATION IN DALLAS COUNTY, TEXAS. IN SOME CASES, DISPUTES MAY BE SUBMITTED TO LITIGATION IN THE COURTS IN TEXAS TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW. YOU UNDERSTAND THAT OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH DICKEY'S IN TEXAS THAN IN YOUR HOME STATE.**
- 2. EXCEPT AS PROHIBITED UNDER APPLICABLE MINNESOTA LAW, THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE SUBSTANTIAL MAJORITY OF RESTAURANTS OPERATED BY DICKEY'S FRANCHISEES OR BY AN AFFILIATE ARE LOCATED IN TEXAS. OPERATING RESULTS FOR DICKEY'S RESTAURANTS LOCATED OUTSIDE OF TEXAS ARE GENERALLY LESS ESTABLISHED.**
- 4. DICKEY'S OR ITS AFFILIATES OR OTHER FRANCHISEES MAY PROVIDE CATERING AND DELIVERY SERVICES AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR A DIFFERENT TRADEMARK, POSSIBLY IN COMPETITION WITH YOUR FRANCHISE.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Dickey's uses the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: _____

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EXHIBIT A – Financial Statements
EXHIBIT B – Franchise Agreement
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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, "Dickey's", "franchisor", "we" and "our" means Dickey's Barbecue Restaurants, Inc., a Texas corporation, the franchisor. "You" means the person or entity that buys the franchise and, if such person is a partnership, corporation or other entity, also includes the owners.

Dickey's is a Texas corporation incorporated on March 7, 1994. The company's principal place of business is 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205. Dickey's does not have any parent companies or any affiliates which offer franchises in any line of business or provide products or services to franchisees. There are no predecessors of Dickey's. Dickey's does not do business under any other name. Since its formation, Dickey's has offered Restaurant franchises.

Dickey's sole business is to offer, sell and service franchises for the development and operation of counter service fast casual dining restaurants (the "Restaurants") specializing in freshly prepared food featuring barbecued meats under the service mark (the "Mark") displayed on the cover page of this Disclosure Document. While some of Dickey's existing Restaurant franchises offer a cafeteria-style dining format or operate out of larger facilities, to meet evolving customer demands and tastes, currently Dickey's offers franchises featuring counter service dining in leased facilities of approximately 1,500 square feet. Most of the Restaurants are located within suburban shopping centers or in stand-alone buildings located on busy streets, but several Restaurants are located in "non-traditional" venues such as food courts or convenience stores or within institutional settings such as airports. Dickey's currently does not offer franchises for "non-traditional locations" and only offers franchises for Restaurants in leased locations situated within shopping centers.

Dickey's does not operate any Restaurants of the kind described in this Disclosure Document, but Dickey's Barbecue Pit, Inc. ("DBP"), a Texas corporation affiliated with Dickey's having a principal place of business at 4514 Cole Avenue, Suite 1000, Dallas, Texas 75205, has operated similar Restaurants since 1941, and Restaurant Growth, Inc. ("RGI"), a Texas corporation affiliated with Dickey's having a principal place of business of 7770 Forest Lane, Dallas, Texas 75230, opened a similar Restaurant in 2006. Except as described in this Item 1, Dickey's, DBP and RGI have not and do not engage in any other kinds of business or offered or offer franchises in any other lines of business.

Dickey's authorized agent to receive service of process in the State of Minnesota is Minnesota Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101, with a copy to Roland Dickey, Jr., 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205.

Dickey's acquired its right to use and sublicense to franchisees the Mark pursuant to a license agreement with DBP, its affiliate. The license agreement is attached as Exhibit D. (See Item 13). DBP has operated pit barbecue Restaurants generally utilizing the cafeteria-style format but offering the same food products as the counter service franchises described in this Disclosure Document since 1941. As of the date of this Disclosure Document, DBP (or RGI) operates five (5) pit barbecue cafeteria-style Restaurants in the Dallas-Fort Worth, Texas metropolitan area and one (1) table service "Smokehouse" Restaurant in Albuquerque, New Mexico. These Restaurants utilize modern barbecue cooking technology and several

proprietary concepts and recipes. Food offerings feature slow-smoked meats and vegetables and salads. When reference is made in this Disclosure Document to "company-owned" or "company-operated" Restaurants", this means Restaurants owned and operated by DBP and RGI. DBP and RGI do not franchise, and have not, franchised Restaurants or any other kind of business.

Pursuant to this Disclosure Document, Dickey's is offering qualified individuals, corporations and partnerships the opportunity to develop and operate Restaurants pursuant to a comprehensive and unique system (the "System") that includes rights to use the Mark and various trade names, trademarks and service marks as well as distinctive exterior and interior design, décor, color schemes, furnishings and equipment for Restaurant premises; confidential recipes, procedures, specifications and formulas for preparing food and beverage products and for operations; inventory and management control methods; initial and ongoing training and seminars and advertising and promotional services and assistance.

Each franchise relationship is offered by Dickey's based on one of two arrangements—(each an "Agreement"):

1. 4—The first arrangement is a single franchise agreement ("Franchise Agreement") under which you shall establish one (1) Restaurant at a specified location. The Franchise Agreement that you will be required to execute for this Restaurant is attached to this Disclosure Document as Exhibit B. (See Item 5 regarding initial Franchise Fee).
2. 2—The second arrangement is a development agreement (the "Development Agreement") which requires you to establish more than one (1) Restaurant within a defined geographic area according to a time schedule provided in the Development Agreement. The Development Agreement you will be required to execute is also attached to this Disclosure Document as Exhibit C. You will be required to execute the form of Franchise Agreement Dickey's is then offering to new Dickey's franchisees for each Restaurant established under the Development Agreement. (See Item 5 regarding initial Franchise Fee).

If you are considering a single franchise, you will receive a copy of our Franchise Agreement. If you are considering more than one (1) franchised Restaurant, you will receive copies of both the Franchise Agreement and the Development Agreement. The Franchise Agreement and Development Agreement are each referred to in this Disclosure Document as an "Agreement."

The Restaurants' products and services are marketed to customers of all ages and economic levels. Preferred locations for the Restaurants are in heavily populated suburban areas on or near major streets and highways. While there can be fluctuations in sales of the Restaurants' products and services, sales are not typically seasonal.

The market for restaurant services is well-established but highly competitive. There are many single location, family-operated barbecue restaurants and numerous regional and national restaurant systems currently operating and/or offering franchises for barbecue style restaurants which feature menu items similar to those offered by Dickey's and the Restaurants. Additionally, the Restaurants will compete for the dining dollar with the full range of other types of food service operations, many of which may be located in close proximity to the Restaurants. There also exists active competition among restaurants for the employment of management and service personnel as well as for the acquisition of attractive lease sites suitable for restaurants.

Dickey's believes its competitive position will be enhanced due to its distinctive offering of barbecue style food using high quality, fresh ingredients and proprietary recipes served quickly at affordable prices and in a comfortable, friendly setting. Although Dickey's continues to develop or franchise Restaurants in Texas, where its name and reputation are well established, Dickey's is now offering franchises for Restaurants throughout the United States. Dickey's believes that Restaurants in this broader market have the potential

for success, and that Restaurants will be able to ultimately achieve consistent patronage in these markets as a result of Dickey's developing name recognition and distinctive food offerings.

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to business generally have particular applicability to restaurants. All Restaurants must comply with federal, state and local laws applicable to the operation and licensing of a restaurant business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. Your Restaurant must also meet applicable municipal, county, state and federal building codes and handicap access codes. You should consider these laws and regulations when evaluating your purchase of a franchise.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering, proposals that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

ITEM 2 BUSINESS EXPERIENCE

The following is a list of any directors, trustees, general partners, principal officers and other individuals with management responsibility relating to the sale or operation of the franchise offered by this Disclosure Document, together with all franchise brokers. The principal position and employer of each such individual during the last five (5) years, including each position's starting date, ending date and location, are listed below (unless, Unless otherwise specified below, the location of each position is Dallas, Texas).

Chairman: T. D. Dickey, Jr.

T. D. Dickey, Jr. serves as Chairman of the Board of Dickey's and has served in that capacity since his employment by Dickey's formation in March of 1994. Mr. Dickey began working in his family's barbecue business in 1968 and since 1971 has been Chairman of the Board of DBP.

Chief Executive: Roland R. Dickey

Roland Dickey, brother of T.D. Dickey, Jr., serves as the Chief Executive Officer of Dickey's, and previously had served as President of Dickey's from the Company's formation in date of Mr. Dickey's initial employment by the company in March of 1994 until 2006. Mr. Dickey began working in the family's barbecue business in 1968 and since 1971 has been President of DBP.

President: Roland Dickey, Jr.

Roland Dickey, Jr., son of Roland R. Dickey, began working at Dickey's in July of 1999, and in 2006, became the President of Dickey's. Prior to becoming President, Mr. Dickey served as Vice President of Dickey's.

Director of Real Estate: Cullen Dickey

Cullen Dickey began service with Dickey's in February of 2006 as Director of Real Estate. ~~Cullen~~Mr. Dickey, son of Roland R. Dickey, also ~~works~~has worked as an independent commercial real estate agent in the Dallas, Texas area since 2001.

Vice President of Operations: Michael Sebazco

~~Michael Sebazco joined the Dickey's team in May, 2008 as Vice President of Operations. Previous to working for Dickey's, Mr. Sebazco was Director of Operations with Boston Pizza Restaurants, Inc. from October, 2005 to May, 2008. From August, 2002 until October, 2005, Mr. Sebazco worked as a Regional Manager for Fox and the Hound Restaurant Group in Wichita, Kansas.~~

Director of Franchise Development: Owen Edwards

Owen Edwards began working for DBP in 1974 and has served as a Restaurant Manager since 1989, and for DBP starting in 1989. Mr. Edwards began service at Dickey's in 1994. January of 1997.

Vice President of Accounting and Administration: Michelle Frazier

Michelle Frazier joined Dickey's in September of 2003 as an Accounting Manager. From March, 2007 to January, 2008, Ms. Frazier served as Director of Accounting. She is now Vice President of Accounting and Administration.

Vice President of Operations: Corby Cronin

Corby Cronin has been in the restaurant business since 1995. He began his career at Brennan's of Houston in 1995 as a prep cook. After graduating Johnson & Wales University with a degree in Culinary Arts, he worked as the Banquet Chef at the Wyndham Resort Village in Breckenridge, Colorado. He trained under James Mazzio, Food & Wine Magazine's Top Ten Chefs of 1999, at 15 Degrees in Boulder Colorado before opening and operating several restaurants in Denver, Colorado. Mr. Cronin moved to Dallas, Texas in 2003 to start his own contracting company that served residential homebuilders in the Dallas-Fort Worth, Texas metropolitan area. Mr. Cronin sold his business in 2007 and joined Dickey's in September of 2007. Mr. Cronin has a Bachelors Degree from The University of Colorado in Communications and is also certified from CU in Public Relations.

Director of Training: Alicia Scheffler

Alicia Scheffler joined Dickey's as Director of Training in February of 2008. Prior to working at Dickey's, Ms. Scheffler worked for ASI-Modulex, Inc. as Director of Training and Employee Development from 2003 to 2007. From 1998 to 2003, Ms. Scheffler was Senior Director of Training and Development with Safeguard Business Systems.

Director of Marketing: Suzanne Irish Jeff Gruber

Suzanne Irish has worked with several advertising agencies in the Dallas area, most recently with imc2 as an Account Manager from 2003 through 2007. Her prior restaurant and retail experience includes advertising and marketing work for Pizza Hut, Popeye's Chicken and Biscuits, Nowaste Brown Ale and Pete's Wicked Ale. Ms. Irish brings extensive digital, print and media marketing experience to the Dickey's team. She joined Dickey's in October of 2007 as Director of Marketing.

Brand Manager and Designer: Ashley Popp

Before joining Dickey's in January of 2008 as Brand Manager and Designer, Ashley Popp worked as a Designer, Studio Manager, and Senior Art Director at The Point Group from 2000 to 2007. Director of Finance, Design and Construction: Jerrel Denton Jeff Gruber began service with Dickey's as a Marketing Coordinator in March of 2008 and was promoted to Director of Marketing in 2009. Prior to working for Dickey's, Mr. Gruber attended Southern Methodist University Dedman School of Law where he graduated in May of 2006. From June of 2005 until November of 2006, Mr. Gruber worked as an attorney for the law firm Byrne Cardenas & Smitherman, L.L.P. From May of 2007 until January of 2008, Mr. Gruber was employed as an attorney by R.R. Donnelley Global Real Estate Services, and from February of 2008 until March of 2008 he worked as an attorney for Goldstein & Scopellito, P.C.

Prior to joining Dickey's in 2006 as Director of Finance, Design and Construction, Jerrel Denton served as Vice President and co-owner of Promontory International, Inc., a master franchisor for Mega Wraps Restaurants of Texas from 2003 to 2006. Before that, Mr. Denton had developed numerous real estate

projects, and was a regional manager for various organizations including SRI, a Sonic Restaurant franchisee, CKE Taco Bueno Restaurants in Dallas, Texas, and was a multi-state franchisee of Grandy's, Inc., a restaurant company based in Lewisville, Texas.

Vice President of Construction: Corby Cronin

Before beginning service with Dickey's in October of 2007, Corby Cronin worked as a contractor in new home construction from 2004 to 2007 with OnDuty Systems and Certified Applications of Texas. Mr. Cronin is also a First Level ACF Certified chef and worked as a Sous and Executive Chef across the U.S. from 1995 until 2003.

Real Estate Manager: Scott Chanslor

From 2002 to December, 2004, Scott Chanslor served as New Business Coordinator at Allmerica Financial and as a Senior Representative at TD Ameritrade from January, 2004 to June, 2006. He worked in New Business Transitions at 1st Global Financial Partners from July, 2006 until February, 2008 when he joined Dickey's as Real Estate Manager.

Vice President of Accounting and Administration: Michollo Frazier

Michelle Frazier joined Dickey's in 2002 as an Accounting Manager. From March, 2007 to January, 2008, Ms. Frazier served as Director of Accounting. She is now Vice President of Accounting and Administration.

Field Service Manager: David Lawson

David Lawson was a franchisee of Jersey Mike's Subs in Fairview Park, Ohio from December, 2003 to June, 2007 before beginning service with Dickey's as a field service manager.

Field Service Manager: David Flores

David Flores worked for Einstein Bros. Bagels as a District Manager from 1999 to 2006, and as a General Manager for Hoffbrau Steaks in 2006 before joining Dickey's in 2007 as a field service manager.

Field Service Manager: Joseph Sapoznikov
Director of New Unit Development: Tim Sharp

Joseph Sapoznikov has worked in the restaurant industry for 24 years. Most recently, he worked for Sweet Factory as an area supervisor from 2005 to 2006, and before that with McDonald's from 1998 to 2005 as a district manager. Mr. Sapoznikov joined Dickey's in 2007 as a field service manager.

Tim Sharp has extensive experience both opening and operating restaurants. From 1999 to 2005, Mr. Sharp worked as Regional Director of Operations for Chevy's Fresh Mex. From 2005 until 2008, he was employed by Cracker Barrel as District Manager. Mr. Sharp began service with Dickey's as Field Services Manager in July of 2008 and was promoted to Director of New Unit Development in 2009.

Franchises Services: Phillip Jordan
Director of Construction: Daniel Sibley

Phillip Jordan worked as a district manager for Arby's Restaurants from 1990 until 2005 when he began working for Krystal Hamburgers. Mr. Jordan was a district manager with Krystal from 2005 to 2007 before beginning service with Dickey's in December of 2007 in Franchise Services.

Before joining Dickey's in August of 2008 as Prelest Manager, Daniel Sibley worked for Laneleec LLC from 2006 to 2008 as a Trading Inventory Consultant. From 2004 to 2005, Mr. Sibley worked in Trading Operations with Ameritrade. In 2003, he earned a B.S.S. in Economics from Southern Methodist

University. Mr. Sibley was promoted to Director of Construction of Dickey's in 2009.

Franchise Broker: Joe Amodio

Joe Amodio and his company, Fran Sales, Inc., began serving as a Franchise Broker for Dickey's in June, 2005. Previously, Mr. Amodio developed Blimpie franchises beginning in 1997. In addition, as President of Texwide Development, Inc., Mr. Amodio served as Area Developer for the "Philly Connection" franchise system in Texas from 2002 to June of 2005.

Franchise Broker: Clay Carson

Clay Carson began serving as Franchise Broker for Dickey's upon his employment with Fran Sales, Inc. in August of 2005. Prior to joining Fran Sales, Inc., Mr. Carson formed CJ&J/AdFran, an advertising agency in Houston, Texas, in which he continues to serve as a non-active partner and consultant.

Franchise Broker: Tom Pestka

Tom Pestka began serving as a Dickey's franchise sales broker upon his employment with Fran Sales, Inc. in 2007. Prior to working in franchise sales, Mr. Pestka created and ran several of his own businesses, including American Contamination Control which provided mold remediation and water mitigation services to consumers in the southeast U.S. Mr. Pestka started the business in 2001 and sold it in 2007. More recently, Mr. Pestka worked as an Implementation and Design Consultant for Mobile Media Enterprise in Norcross, Georgia, designing and building event activities for major brands in the U.S. from April, 2005 to October, 2007.

Franchise Broker: Mike Amodio

Mike Amodio graduated from Quinnipiac University in Hamden, Connecticut in 2007 with degree in entrepreneurship and business management. He worked for Enterprise Rent-A-Car as a Management Assistant from 2005 to 2007, and joined Fran Sales, Inc. in February of 2007.

Franchise Broker and Area Developer (St. Louis, Missouri): Doug Gruder

Doug Gruder and his company, Restaurant Brokerage, LLC d/b/a Dickey's St. Louis, began serving as an area developer and a franchise broker for Dickey's in the St. Louis, Missouri area in 2005. Previously, from 1993 to 1995, Mr. Gruder served as an area developer for Quizno's Classic Subs in the St. Louis, Missouri area and, since 1993 Mr. Gruder has owned and operated Restaurant Realty, Inc., a St. Louis-based company specializing in the sale of restaurants.

Franchisee and Area Developer (South-Central Texas): Terry Maxey

Terry Maxey and his company, Max-E-Enterprises, Inc., which was incorporated in 1996, became a Dickey's Franchisee in 2006 and began serving as Franchisee and Area Developer (South-Central Texas) in 2007. He has been involved in various types of retail development since 1985. Currently, in addition to Dickey's, Mr. Maxey and his companies own and operate a chain of restaurants under the Wendy's brand and also a chain of convenience stores under the Exxon brand.

Franchisee and Area Developer (Northern and Coastal Virginia): Stephen Royer

For the past five (5) years Stephen Royer worked for Sanofi-Aventis Pharmaceutical, Inc. of Bridgewater, New Jersey as an Office Based Specialty Sales Representative, District Sales Manager, and most recently as Senior Sales Professional before opening his first Dickey's Barbecue Pit in Lynchburg, Virginia in December, 2007. Mr. Royer has been an Area Developer for Dickey's since May, 2008.

ITEM 3
LITIGATION

Except for the actions described below, there is no litigation that must be disclosed in this Disclosure Document.

Dickey's Barbecue Restaurants, Inc. v. Muhammad Afzal and Atlatic Restaurant Group, LLC, 160th Judicial District Court of Dallas County, Texas, Cause Number 09-00779, Filed January 22, 2009.

The defendants in this action were Muhammad Afzal, a former franchisee of Dickey's, and Atlatic Restaurant Group, LLC, an entity owned and operated by Mr. Afzal's sister. Dickey's alleged, among other things, that Mr. Afzal breached the terms of his Franchise Agreement by operating a barbecue-style restaurant after the termination of his Restaurant by Dickey's and that Mr. Afzal improperly transferred his Restaurant to Atlatic Restaurant Group, LLC without Dickey's consent. Accordingly, Dickey's requested that the court grant an injunction prohibiting the defendants from operating a barbecue-style restaurant and to compel Mr. Afzal to sell the assets of the restaurant to Dickey's. This lawsuit was subsequently settled on February 23, 2009 upon terms which require Mr. Afzal to comply with the non-compete and non-disclosure provisions of his Franchise Agreement.

Dickey's Barbecue Restaurants, Inc. v. JMB Crossville, L.L.C., Miriam Bernhard and Jerry Bernhard, 298th District Court, Dallas, County, Texas, Cause Number 09-02401, Filed March 2, 2009.

The defendants in this action were JMB Crossville, L.L.C. ("JMB"), a former franchisee of Dickey's, and Miriam and Jerry Bernhard, the owners of JMB. Dickey's alleged, among other things, that the defendants breached the terms of the Franchise Agreement by operating a barbecue-style restaurant after the termination of JMB's Restaurant by Dickey's. Accordingly, Dickey's requested that the court grant an injunction prohibiting the defendants from operating a barbecue-style restaurant. This lawsuit was subsequently settled upon terms which require the defendants to comply with the non-compete and non-disclosure provisions of the Franchise Agreement.

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4
BANKRUPTCY

During the ten (10) year period immediately preceding the date of the Disclosure Document, neither Dickey's nor any parent, predecessor, affiliate, officer, general partner or any other individual who has management responsibility relating to the sale or operation of the franchise offered by this Disclosure Document, has: (i) filed as a debtor (or had filed against it) a petition under the U.S. Bankruptcy Code ("Bankruptcy Code"); (ii) obtained a discharge of its debts under the Bankruptcy Code or (iii) been a principal or officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition under the Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code while, or within one (1) year after, the officer or general partner held the position in the company.

There are no cases, actions or other proceedings under the laws of any foreign nations relating to bankruptcy pending against Dickey's.

No bankruptcy is required to be disclosed in this Disclosure Document.

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ITEMS INITIAL FEES

Single Unit Arrangement. If you acquire the right to operate one (1) Restaurant, an initial franchise fee of \$30,000 (the "Franchise Fee") is payable to Dickey's in a lump sum upon at the execution-of time the Franchise Agreement is signed. Dickey's reserves the right to charge a larger initial Franchise Fee for franchises in non-U.S. locations to defray the higher costs anticipated with respect to such foreign locations.

Development Agreement. if you acquire the right to develop and operate two (2) or more Restaurants under a Development Agreement, you are required to pay Dickey's a development fee of \$30,000 plus a \$10,000 deposit for each Restaurant after the initial Restaurant (the "Development Fee"). You will also be required to pay a franchise fee of \$30,000 for each Restaurant payable to Dickey's at the time a Franchise Agreement is signed for each Restaurant you develop, but this \$30,000 fee will be reduced to \$10,000 for each Restaurant after the first Restaurant if you meet certain development milestones. The Development Fee is payable in a lump sum to Dickey's upon-execution-of at the time the Development Agreement is signed. From this Development Fee, \$30,000 shall be applied to the \$30,000 Franchise Fee for the initial Restaurant, and each \$10,000 deposit shall be applied toward the reduced \$10,000 Franchise Fee for each subsequent Restaurant if you timely satisfy the timetable and comply with the other terms of your Development Agreement. Otherwise, if you do not timely develop and open your Restaurant and comply with the other terms of the Development Agreement, the standard Franchise Fee of \$30,000 shall apply to each Restaurant you develop, with the balance of the Franchise Fee to be immediately paid by you in lump sum.

Except as noted above, the initial Franchise Fee and if applicable, the Development Fee, are each uniformly imposed on all franchisees subject to this Disclosure Document. Dickey's reserves the right, but is not obligated, to reduce the initial Franchise Fee (and the Development Fee) for existing Dickey's franchisees who elect to purchase additional Dickey's franchises. The Franchise Fee and Development Fee are each non-refundable.

In addition, at least sixty (60) days prior to the opening of your Restaurant, you shall pay to Dickey's \$10,000, which shall be fully expended by Dickey's on your behalf to defray the costs and expenses of your Restaurant's grand opening and initial local advertising and promotion. You also are required to reimburse Dickey's for the cost and expense of any site inspection in excess of the three (3) site inspection visits provided by Dickey's at no cost. Further, you must pay to Dickey's \$200 per person for training materials and uniforms. These fees, costs and expenses are uniformly imposed on all franchisees subject to this Disclosure Document, payable in lump sum and are non-refundable.

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ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	5% of Net Sales	Payable weekly on the Wednesday following the calendar week to which such payments relate	See footnotes (1), (2) and (3).
Marketing Fund	4% of Net Sales	Payable weekly on the Wednesday following the calendar week to which such payments relate	See footnotes (1), (2), (3) and (10).
Insurance	Premiums vary depending on location	As agreed or upon notice from Dickey's if you have failed to pay premiums	Dickey's has the right to obtain insurance and charge you with the cost of the premium if you fail to purchase same. See footnote (4).
Training Materials and Uniforms	\$200 per person	1 week prior to beginning training	See footnotes (1) and (5).
Audit	Cost of audit plus 10% <u>the lesser of 15% interest or maximum rate</u>	30 days after billing	Payable only if audit shows understatement of at least 2% of Net Sales for any month. See footnotes (1), (3), (6) and (7).
Site Evaluation Costs	All of Dickey's reasonable costs and expenses	30 days after billing	Dickey's provides 3 on-site evaluations for your Restaurant at no charge to you. See footnote (1) and (8).
Transfer	<u>Greater of \$10,000 or Dickey's reasonable costs and expenses</u>	5 days prior to confirmation of transfer	Payable to Dickey's when franchise is sold. No charge for franchise transferred to a corporation which you control. See footnote (1) and (6).
Renewal	\$10,000	5 days prior to commitment of 10-year renewal term	Payable to Dickey's if you elect to renew your franchise prior to expiration of initial 20-year term. See footnote (1) and (8).
Management	5% of Net Sales	Payable monthly	Only payable if Dickey's elects to operate the Restaurant after your death or disability. See footnotes (1) and (3).
Interest	15% or maximum rate, whichever is less	Immediately	See footnotes (1) and (6).
Legal	Actual legal fees and expenses	As incurred by Dickey's to enforce your obligations	Incurred only if a court determines you have breached the Franchise Agreement. See footnotes (1) and (9).
Termination	Royalty fees for remaining term of Franchise Agreement	Immediately	See footnotes (1), <u>(31)</u> and <u>(311)</u> .

Footnotes:

(1) The fee is uniformly imposed and collected by and payable only to Dickey's and is nonrefundable.

(2) You are required to pay to Dickey's a royalty fee equal to five percent (5%) of Net Sales of the Restaurant and a contribution to the Marketing Fund equal to four percent (4%) of Net Sales for each calendar week period (the "Sales Period"). These payments are electronically drafted upon your account by ACH transfer based upon your statement certifying Net Sales for the Sales Period.

(3) "Net Sales" includes all revenue from the sale of food, beverages, services and products from in-store dining, carry-out delivery, catering, and otherwise, including, but not limited to, the sale of food and beverages, redemption of gift cards, and merchandise (e.g., bottled barbecue sauce, packaged food products, T-shirts, sweatshirts, caps, watches, etc.) and all other income of whatever nature or kind relating to the Restaurant, whether for cash or credit and regardless of collection in the case of credit; provided, that Net Sales excludes sales tax or other taxes collected from customers by you and paid to the appropriate taxing authority, employee meals and discounts for meals purchased with promotional coupons approved by Dickey's.

(4) If you, for any reason, fail to obtain or maintain the insurance required by each Franchise Agreement entered into between Dickey's and you, as these requirements may be revised from time to time by Dickey's in its Operations Manual and such other manuals, written materials and directives as Dickey's shall have developed for use in the Restaurant (the "Manuals") or otherwise in writing, Dickey's has the right and authority (but not the obligation), to immediately obtain such insurance and to charge the same to you, which charges, together with a reasonable fee for Dickey's expenses in so acting, will be payable by you immediately upon notice. Insurance costs are non-refundable. Insurance coverage requirements are uniformly imposed on all franchisees subject to this Disclosure Document; however, the costs of this coverage may not be uniform for all franchisees because premiums may vary in accordance with the insurer, marketplace conditions, the location of the insured's premises, the insurance requirements of applicable law and other factors. These costs will not be collected or imposed in whole or in part on behalf of any third party by Dickey's, and are payable to the applicable insurer or agent.

(5) Dickey's reserves the right to charge a fee for training manuals and materials and to additionally charge for uniforms.

(6) Interest is not charged unless royalty, Marketing Fund contribution, transfer or renewal fee payments, or any other sum due to Dickey's is not paid when due or an audit reveals underpayments based on Net Sales. In addition, Dickey's reserves the right to collect out-of-pocket expenses associated with any of these matters.

(7) Although audit costs are uniformly imposed on all franchisees subject to this Disclosure Document, the cost of each audit may not be the same for each franchisee. Audit costs will vary depending on factors such as the audit firm utilized, billing arrangements and time spent to complete the audit.

(8) Although site evaluation costs are uniformly imposed on all franchisees subject to this Disclosure Document for each additional site evaluation in excess of the three (3) site evaluations provided by Dickey's at no cost, the cost of each such additional site evaluation may not be the same for each franchisee. Site evaluation costs will vary depending on factors such as the location of the franchisee, travel expenses and duration of the site visit.

(9) Although legal costs are uniformly imposed on all franchisees subject to this Disclosure Document, the amount of legal costs may not be the same for each franchisee. Legal fees will vary depending on factors such as the nature of the legal matter, law firm utilized, billing arrangements and time spent in connection with the legal matter.

(10) Dickey's may require that you participate in an approved local or regional advertising cooperative with certain other franchisees. If you are required to participate in a Dickey's-approved advertising cooperative, a certain percentage of your Marketing Fund contribution will be applied towards the local or regional advertising, marketing and promotions targeting the geographic area in which your Restaurant is located. Under the terms of Dickey's current standard cooperative advertising agreement,

fees are not assessed by the advertising cooperative. For additional information, see Item 11, Paragraph C, titled, "Advertising".

(11) Unless otherwise indicated in a writing from Dickey's, and to the extent permitted by applicable law, you must pay to Dickey's in a single lump sum payment, as liquidated damages and not as a penalty, royalty fees for the remaining term of the Franchise Agreement (or the renewal term, if applicable) calculated based upon the average Net Sales of your Restaurant prior to termination. For example, if your average monthly Net Sales for the prior twelve (12) months was \$83,333.33, and you have three (3) years remaining on the term of your Franchise Agreement, your liquidated damages would be \$150,000.00 (\$83,333.33 x five percent (5%) royalty fee x twelve (12) calendar months x three (3) remaining years).

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ITEM 7 **ESTIMATED INITIAL INVESTMENT**

The following table provides an estimate of your initial investment for one (1) approximately 1,500 square foot Restaurant constructed in accordance with Dickey's current prototype plans and specifications and assumes you will lease the location of your Restaurant. The information is arranged to provide a range of your estimated initial investment.

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee ^{(1), (16)}	\$10,000 - \$50,000	Lump Sum	Execution of Franchise Agreement	Dickey's
Architectural Plans ^{(2), (14)}	\$12,000 - \$16,000	Lump Sum	\$0 Days After Execution of Lease or Land Purchase	Architectural Firm
Leasehold Improvements ^{(3), (14)}	\$105,000 - \$175,000	Negotiable	Negotiable	Landlord
Furniture, Fixtures, Equipment and Signage ^{(4), (14)}	\$425,000 <u>14,000</u>	Lump Sum	As Incurred	Vendors/Contractors
Lease Deposits ^{(14), (15)}	\$5,000 - \$6,000	Lump Sum	As Incurred	Landlord/Utilities
Permits ^{(5), (14)}	\$1,000 - \$2,500	Lump Sum	As Incurred	State or Municipal Agencies
Insurance ^{(6), (14)}	\$5,000	Annual	Annual <u>Annually</u>	Insurance Agents
Training Manual and Uniforms ⁽¹⁶⁾	\$600	Lump Sum	Upon Receipt	Vendor <u>Dickey's</u>
Opening Inventory and Services ^{(7), (14)}	\$10,000	Lump Sum	Vendors' Terms/As Incurred	Vendors/Dickey's
Additional Funds – 3 months ^{(8), (10), (14)}	\$24,000 - \$34,000	Cash	As Needed	Various Payees
Promotional and Pre-Opening Expenses ^{(9), (13)}	\$26,000 <u>10,000</u>	Cash	As Incurred <u>60 Days Prior to Opening</u>	Dickey's
Professional Fees ^{(11), (14)}	\$1,000 - \$3,000	As Arranged	As Arranged	Vendors
Sub Total ⁽¹⁷⁾	\$522,600 - \$433,100			
Closing Costs – Interim Interest ^{(17), (14)}	\$4,000 - \$8,000	As Arranged	As Arranged	Lender
Closing Costs – Bank Charges ^{(12), (14)}	\$4,500	As Arranged	As Arranged	Lender
Closing Costs – SBA Fees ^{(12), (14)}	\$6,800 - \$14,000	As Arranged	As Arranged	SBA
TOTAL:	\$357,900 - \$459,600			

Footnotes:

(1) See Item 5 for initial fee required for multiple unit arrangement under a Development Agreement, and for circumstances when the Franchise Fee may be discounted and/or negotiated. Neither Dickey's nor any affiliate of Dickey's offers any financing for your initial Franchise Fee or any portion of your initial investment. Dickey's will be pleased to refer you to independent lenders who may finance some portion of your initial investment, but Dickey's makes no promises that any such financing will be available to you, and Dickey's does not guarantee any such loans to you

(2) These amounts are estimated costs for acquiring and adapting Dickey's prototype plans for use in connection with your proposed Restaurant.

(3) Dickey's requires that you lease the premises for the Restaurant. The amounts provided are based on a Restaurant within a shopping center or free-standing structure with approximately 1,500 square feet. These amounts assume you will engage a construction manager to oversee the project, and the amounts include construction management costs of \$10,000 to \$15,000. Your costs may be lower if the landlord assumes the costs of converting and finishing out the space to Dickey's prototypical standards and specifications. Any such contribution by the landlord will likely, however, be factored into a higher lease rental rate. These amounts are Dickey's best estimate based upon commercial leasing and remodeling/finish-out rates and conditions in the Dallas-Fort Worth, Texas metropolitan area and may vary substantially based upon local commercial leasing conditions, cost of utility deposits, and labor rates and conditions and the availability and prices of materials.

(4) These amounts include costs for tables, chairs, track lighting fixtures, cabinets and decor items required for the Restaurant, costs for the Aloha Point-of-Sale system and Profit Management Console, computer hardware and software, refrigeration and other kitchen equipment, hood and fire and ventilation system and stainless steel, a catering van and catering equipment, and a barbecue cooking system. These figures are Dickey's best estimate based on current equipment costs and financing conditions in the Dallas-Fort Worth, Texas metropolitan area. Costs may vary substantially depending on geographic location, creditworthiness and financing arrangements. These amounts also include interior and exterior signage. The cost of signage may vary significantly depending on the location of the Restaurant, landlord and municipal requirements, and market conditions.

(5) Permit fees will vary depending on location and on whether any applicable federal, state or municipal laws or regulations require the payment of occupational taxes for restaurants. Permit fees will be greater for any construction for the finish-out or renovation of the Restaurant and will likely take more time to obtain. Permit fees will also likely be higher if you desire your Restaurant is required to serve alcoholic beverages in the Restaurant. Any state income or franchise taxes required to be paid for corporate franchisees are not included.

(6) The costs of insurance may vary substantially depending on the insurer, the location of the Restaurant, the value of the equipment and improvements and your claims history. The cost does not include any premium for worker's compensation insurance, liquor liability, auto liability, or any non-subscription alternatives, and the amount of such premium will vary widely based upon state insurance markets, number of employees, and other factors.

(7) Dickey's estimates that the range given will be sufficient to cover food and paper inventory needs for the first week of operations when training and dry-runs of Restaurant services occur prior to the opening of the Restaurant to the general public. These amounts may vary according to your sales volume during the indicated period and according to local suppliers' terms.

(8) The amounts provided will be used by you to cover costs and expenses such as debt service, wages, rent and other occupancy costs, initial stocking of inventory, food stocks and supplies, and other operating expenses during the initial three (3) months of operations. These amounts may vary depending upon your sales volume, your management skill, how closely you follow Dickey's methods and procedures, local economic conditions and wage rates, competition, your financing costs and upon other circumstances. These amounts are estimates, and Dickey's cannot guaranty that you will not have additional expenses starting the Restaurant.

(9) The amounts shown include costs and expenses of a grand opening promotion/initial marketing package for the Restaurant, for which you are required in the Franchise Agreement to pay to Dickey's \$20,000~~10,000~~ to be spent by Dickey's on your behalf in connection with your grand opening promotion. A full accounting of the sums spent by Dickey's in connection with your grand opening will be provided.

(10) This estimate also reflects the cost of your Operating Principal and two (2) Restaurant managers to attend and complete the initial training. These amounts include estimated transportation costs, the cost of lodging and meals, employee wages, (but no salary for the Operating Principal), and incidental expenses. Your costs may be greater depending upon your distance from the Dallas-Fort Worth, Texas metropolitan area and the lodging and meals chosen, and your employee wages.

(11) These amounts are Dickey's best estimate of legal and accounting fees associated with the review of this Disclosure Document and other organizational costs and expenses associated with the start-up of the Restaurant. Your actual costs may vary substantially depending on difficulties encountered, the individual professionals utilized and organizational structure chosen.

(12) These amounts only apply if you choose to finance certain costs related to opening the Restaurant (including, without limitation, any finish-out or renovation costs and equipment, inventory and working capital) with a third-party lender. These amounts are not payable to Dickey's and will vary depending on the terms of the financing you negotiate with your lender and the fees, costs and expenses incurred by lender and any other party involved in the financing. All amounts are estimates only based upon Dickey's experience to date.

(13) These amounts are non-refundable.

(14) These amounts may or may not be refundable depending on the nature of the expenditure and your arrangement with the payee.

(15) The amounts provided are based on Restaurants within shopping centers with approximately 1,500 square feet located within shopping centers.

(16) The cost of the training manuals and uniforms is \$200 per person. These costs are typically non-refundable.

(17) Dickey's has relied on the experience it has acquired in the barbecue restaurant business since 1941 to compile these estimates. Still, Dickey's cannot assure you that you will experience the same level of costs. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The Initial Investment estimates relate to a single Restaurant. You may extrapolate from these estimates and from Item 5 the initial investment required for opening more than one (1) Restaurant under the Development Agreement arrangement.

ITEM 5 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are required to purchase your barbecue sauce (batch and prepackaged), barbecue sauce seasonings, salad dressings, pre-made salads and other ingredients for proprietary recipes from approved suppliers which include Dickey's, an affiliate or a supplier in which an Currently, neither Dickey's nor any of its affiliates are approved suppliers of any such items, nor does any officer of Dickey's own currently own an interest in any such suppliers. It is anticipated that the costs of these food products will be insignificant in relation to all purchases and leases by you in establishing and operating of the Restaurant. Dickey's does not permit franchisees to contract with any alternative suppliers for the products described in this paragraph, nor does it issue specifications for these items.

You must also purchase your food products, paper stocks and other supplies only from approved suppliers under any standards and specifications prescribed in the Manuals. Dickey's has developed a list of approved suppliers for these items. It is anticipated that such purchases may constitute a significant percentage of all purchases made by you in connection with the operation of your Restaurant. You may request that Dickey's approve alternative suppliers. Any charges incurred by Dickey's in connection with the testing and inspection of the proposed supplier's offering must be paid by the franchisee requesting such approval. While Dickey's does not maintain written criteria for alternate suppliers, upon request, Dickey's will evaluate alternative suppliers based upon meat and produce quality and freshness and based upon the supplier's financial position, business reputation, delivery performance, accessibility, credit rating, and other criteria. It is anticipated that the review process will take thirty (30) days. Dickey's reserves the right to revoke its approval if the alternative supplier fails to continue to meet Dickey's then-current criteria. Dickey's does not permit franchisees to contract with any alternative suppliers other than those approved in Dickey's sole judgment and discretion.

Dickey's requires that you purchase and utilize the Aloha Point-of-Sale system, and further requires you to purchase and utilize the Profit Management Console software, and may from time to time additionally require Dickey's franchisees to utilize additional hardware or software programs. Dickey's has developed a list of approved suppliers for the point of sale system and related software and hardware. If so required by Dickey's, you are obligated to use such hardware and software in the operation of your Restaurant. In addition, Dickey's may subsequently from time to time require you to purchase and utilize any upgrades, additions, enhancements or replacements of the hardware or software that are developed by or on behalf of Dickey's, or otherwise required by Dickey's at such cost as Dickey's or its approved vendors make such upgrades, additions, enhancements, and replacements available to franchisees operating under the System (See Item 6). The amount of the cost of these upgrades, enhancements or replacements is anticipated to be insignificant in relation to all purchases and leases by you in establishing and operating of the Restaurant. Dickey's does not permit franchisees to contract with any alternative suppliers of computer hardware and software, nor does it issue specifications for these items.

You must purchase or lease all of your equipment, including barbecue pits, under any specifications prescribed in the Manuals. These specifications include standards for temperature, design and performance, and are based on Dickey's sole judgment and discretion, based on the experience of the company-owned Restaurants and Dickey's experience as a franchisor. You may purchase this equipment from any supplier approved by Dickey's. Dickey's has developed a list of approved equipment suppliers. In addition, Dickey's will approve alternative suppliers based upon technical specifications and based upon the supplier's financial position, business reputation, delivery performance, credit rating, and other criteria. Any charges incurred by Dickey's in connection with the testing and inspection of the proposed supplier's offering must be paid by the franchisee requesting such approval. Suppliers are evaluated, approved or disapproved on a case by case basis. It is anticipated that the review process will take thirty (30) days. Dickey's reserves the right to revoke its approval if the alternative supplier fails to continue to meet Dickey's then-current criteria. Dickey's does not permit franchisees to contract with any alternative suppliers other than those approved in Dickey's sole judgment and discretion.

Dickey's may also provide you with written guidelines governing the minimum standards and specifications of certain products, services and equipment which you procure from unrelated third parties. These standards and specifications may be set forth in the Manuals. Dickey's may from time to time modify these standards and specifications, as well as the other standards and specifications discussed in this Item 8, by providing you with written notification.

It is anticipated that the required purchases and leases from approved suppliers will constitute the substantial majority of all purchases by you in connection with the operation of the Restaurant. Dickey's estimates that up to fifty percent (50%) of your initial investment to establish and open the Restaurant shall be applied to required purchases and leases, and that up to seventy-five percent (75%) of your expenditures to operate the Restaurant shall be applied to required purchases and leases.

Certain approved suppliers currently or may hereafter pay to Dickey's or an affiliate (including to the Marketing Fund) compensation or otherwise credit the account of Dickey's or an affiliate a sales-incontivo-or-rebate-rangingsales incentives or rebates in amounts up to fifteen percent (15%) based upon of the purchases you may make from such suppliers. During the fiscal year ending May 31, 2008, 2009, Dickey's and its affiliates realized \$1,191,702 1,430,545 from vendor rebates or credits which represented about 49 20% of Dickey's total revenues of \$6,299,445. 7,288,424. Dickey's and its affiliates apply such sums to defray its costs in discharging its duties and obligations to its franchisees, to partially fund the Marketing Fund, and to generate revenues.

~~Except as disclosed in this Item 8, there~~ There are currently no required purchases or leases for which Dickey's or its affiliates are the approved supplier, nor does any officer of Dickey's own an interest in any of the approved suppliers. Dickey's reserves the right in the future to designate Dickey's, an affiliate or a supplier in which an officer of Dickey's owns an interest, as an approved supplier for additional items.

Dickey's has negotiated volume discount arrangements with certain designated suppliers for its franchisees (including pricing and payment terms), based upon volume purchases by the System.

You are obligated to purchase approved products only from approved vendors and suppliers, and any failure to do so may put you in default under your Franchise Agreement. There are no purchasing or distribution cooperatives, although Dickey's retains the right to establish them. Dickey's does not provide any benefits (such as additional franchises) to franchisees based upon a franchisee's purchase of particular products or services or use of particular supplies.

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ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

FRANCHISEE'S OBLIGATIONS			
Obligation	Disclosure Document Item	Article in Franchise Agreement	Article in Development Agreement
a Site selection and acquisition/lease	Item 11	Articles 3 and 7	Article 3
b Pre-opening purchases/leases	Items 7 and 11	Articles 7 and 8	Article 3
c Site development and other pre-opening requirements	Item 11	Article 7	Article 3
d Initial and ongoing training	Item 11	Articles 3, 4, 8, 9 and 15	Articles 5 and 8
e Opening	Item 11	Articles 3, 5 and 7	Article 3
f Fees	Items 5 and 6	Articles 4 and 5	Articles 2, 5, 6, 7, 8 and 9
g Compliance with standards and policies/operating manual	Items 8 and 16	Articles 33, 8 and 811	None
h Trademarks and proprietary information	Items 13 and 14	Articles 1, 88, 10, 11 and 1012	Articles 6, 7 and 8
i Restrictions on products/services offered	Item 16	Articles Article 8 and 9	Articles 5 and 6
j Warranty and customer service requirements	Item 16	Article 8	Articles 9 and 15
k Territorial development and sales quotas	Item 12	None	Articles 1, 3, 4 and 6
l Ongoing product/service purchases	Item 8	Articles Article 8 and 40	None
m Maintenance, appearance and remodeling requirements	Items 16 and 17	Articles 2, 7, 8, 14 and 17	Article 6
n Insurance	Item 7	Articles 98 and 14	None
o Advertising	Items 66, 7 and 11	Articles 33, 5 and 58	Article 91

p	Indemnification	Item 11	Article Articles 9, 10, 15 and 20	Article 9
g	Owner's participation/management/staffing	Item 15	Articles 4, 5, 68 and 89	Articles 5, 8 and 9
r	Records and reports	Item 6	Articles 4, 5 and 13	Article 5
s	Inspections and audits	Items 6 and 11	Articles 3, 77 8 and 813	None
t	Transfer	Item 17	Article 15	Articles 3, 6, 7, 5 and 9
u	Renewal	Item 17	Article 2	None.
v	Post-termination obligations	Item 17	Articles 17 and 18	Articles 4, 6 and 9
w	Non-competition covenants	Item 17	Article 18	Attachment B
x	Dispute resolution	Item 17	Article 2627	Article 14

ITEM 10 FINANCING

Dickey's does not offer direct or indirect financing. Upon request, Dickey's will refer you to independent lenders who may finance some portion of your initial investment, but Dickey's makes no promises that any such financing will be available to you. Dickey's does not receive any consideration for placing financing with any lenders. Additionally, Dickey's does not guarantee your note, lease or any other obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Dickey's is not required to provide you with any assistance.

A. Pre-Opening Obligations

Before you open your business, Dickey's will:

1. Designate your protected territory. (Franchise Agreement - Article 1).
2. Provide you with its then-current written site selection guidelines and counseling and such assistance as Dickey's deems advisable. (Franchise Agreement - Article 3).
3. Provide on-site evaluation (up to three (3) visits) and assistance as Dickey's may deem necessary on its own initiative or in response to your request for site acceptance. (Franchise Agreement - Article 3).

4. Accept or not accept a site for your Restaurant location. For additional information, see Item 11, Paragraph D, titled, "Site Selection". (Franchise Agreement - Article 1 ~~Articles 1 and 7~~).
5. Provide you with a list of approved architects to whom Dickey's has supplied a set of prototypical architectural and design plans for a ~~Dickey's Barbecue~~ Restaurant. You will be required to independently and at your own expense have the design plans and specifications adapted for the finish-out or renovation of your Restaurant by the Dickey's-approved architect of your choice. Dickey's does not provide any assistance in conforming the premises to local ordinances and building codes or in obtaining any required permits. Dickey's must review and approve all plans and specifications for the finish-out or renovation of your Restaurant. (Franchise Agreement - Articles 3 and 7).
6. Provide you with assistance and advice concerning equipment, signs, fixtures, supplies and opening inventory selection and purchasing in connection with the opening of the Restaurant as Dickey's deems appropriate. See Item 8 regarding equipment, opening inventory and supplies provided by Dickey's or its approved suppliers and any written specifications for those items. Dickey's does not provide any of these items directly and will not deliver or install any such items. (Franchise Agreement - Article 3).
7. Provide an initial training program for two (2) designated managers and your Operating Principal. For additional information, see Item 11, Paragraph E, titled "Training". Dickey's will not provide any assistance in hiring any of your employees; however, all employees must meet Dickey's then-current standards and criteria for the applicable position and any applicable training requirements. (Franchise Agreement - Articles 3, 8 and 9).
8. Provide online access to the Operations Manual (herein so called). A copy of the current table of contents for the Operations Manual is attached hereto as Exhibit E which indicates the subjects covered and number of pages devoted in the Operations Manual to each respective subject. You must strictly comply with the Operations Manual and other Manuals in operating the business. Dickey's has the right to revise the contents of the ~~Manuals~~ Manuals at any time. You must comply with all changes to the Manuals when you receive them. (Franchise Agreement - Articles 3 and 11)
9. Provide you with a list of approved suppliers and preferred vendors, as set forth in the Manuals and other written directives as Dickey's deems appropriate from time to time. (Franchise Agreement - Articles 3 and 7 ~~8~~).
10. Approve any advertising and promotional items to be used in connection with your "grand opening" promotion, and provide you, at your expense, with at least one (1) trained representative of Dickey's to provide on-site training, supervision and assistance around the time of your "grand opening". For additional information, see Item 11, Paragraph E, titled "Training". (Franchise Agreement - Articles 5 and 9).

B. Obligations After Opening

During your operation of the franchised business, Dickey's will:

1. Notify you of any additions, replacements or other changes regarding the menu items, products and services approved for sale by Dickey's. (Franchise Agreement - Article 8).
2. Provide on-site training, additional initial training programs for successor and replacement managers and Restaurant personnel, and other training programs and seminars as Dickey's deems appropriate from time to time. Dickey's will not provide any assistance in hiring any of your employees; however, all employees must meet Dickey's then-current standards and criteria for

the applicable position and any applicable training requirements. For additional information, see Item 11, Paragraph E, titled "Training". (Franchise Agreement - Articles 3 and 9).

3. Provide, as Dickey's deems appropriate, advice and written materials concerning techniques of managing and operating the Restaurant, including new developments and improvements in restaurant equipment, food products, packaging, and preparation. (Franchise Agreement - Article 3).
4. Provide you with guidelines on pricing policies. You have the right to sell your food products and merchandise and offer services at any prices you may determine, so long as you are in compliance with Dickey's general guidelines on pricing policies as set forth in the Manuals or otherwise in writing. Subject to applicable legal constraints, you must participate in and comply with all sales and promotional programs promulgated by Dickey's from time to time. (Franchise Agreement - Article 5).
5. Provide indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks, if your conduct and your Principals' conduct with respect to such proceeding and use of the Proprietary Marks is in compliance with the terms of the Franchise Agreement. (Franchise Agreement - Article 20).
6. Loan to you, upon your request, subject to the approval of Dickey's and at such cost as Dickey's makes these materials available to other franchisees operating under the System, copies of any then-current training films and instructional videos and audio materials that may be from time to time developed and made available to franchisees by Dickey's. (Franchise Agreement - Article 3).
7. Conduct, in its discretion, meetings, seminars, and other related activities regarding the operation of Restaurants for franchisees generally, which you may attend. Except as approved by Dickey's, any costs incurred by you or Restaurant personnel in attending such events will be your responsibility. (Franchise Agreement - Article 3).
8. Provide ongoing operational assistance from time to time as Dickey's deems necessary, subject to the availability of appropriate Dickey's personnel. (Franchise Agreement - Article 3).
9. Inspect the Restaurant and evaluate the Restaurant's products and services at such times as Dickey's may deem advisable to maintain the high standards of quality, appearance and service of the System. (Franchise Agreement - Article 3).
10. Provide interim management of the Restaurant in the event of the death or permanent disability of any person with a twenty percent (20%) or more interest in the Franchise Agreement, the Restaurant or in you, or any person with a smaller interest if Dickey's determines, in its sole discretion, that this person had substantial control or supervision over the management of the Restaurant. Such interim management is provided by Dickey's at its option and Dickey's will charge a monthly management fee of five percent (5%) of Net Sales plus pass through costs and expenses. In addition, if Dickey's provides one of its employees as manager, you must pay Dickey's the manager's then-current salary for the time of such interim management. (Franchise Agreement - Article 15).
11. Approve or disapprove of any advertising and promotional materials and programs you propose. For additional information, see Item 11, Paragraph C, titled "Advertising". (Franchise Agreement - ~~Article 3~~ Articles 3, 5 and 8).
12. Continue to furnish you with a list of approved vendors and/or specifications for certain products and services. (Franchise Agreement - Articles 3, 7 and 8).

13. Provide additional or remedial training. For additional information, see Item 11, Paragraph E, titled "Training". Dickey's will not provide any assistance in hiring any employees; however, all employees must meet Dickey's then-current standards and criteria for the applicable position and any applicable training requirements. (Franchise Agreement - Articles 3, 8 and 9).
14. Establish or modify a promotional gift card acceptance program for so long as Dickey's elects to do so. (Franchise Agreement - Article 5).
15. Assign to you a franchise business manager in Dickey's sole discretion to advise you as to any operational matters regarding your Restaurant as Dickey's may require. (Franchise Agreement - Article 8).

C. Advertising

1. You will be required to build Dickey's brand awareness in your community through word of mouth, community marketing, in-store sampling, the offering of free dinner cards, etc. You are not required to expend any minimum amount on local advertising, ~~although you are required to place or participate in a Yellow Pages ad in your local telephone directory and online at www.yellowpages.com.~~
2. All advertising and promotion by you in any medium, ~~including websites and any internet advertising,~~ is required to be conducted in a dignified manner and is required to conform to the standards and requirements of Dickey's as set forth in the Manuals, the marketing catalog or otherwise. You may advertise in any medium other than over the internet, provided that you are required to obtain Dickey's approval of all advertising and promotional plans and materials prior to use if such plans and materials are not included in the Dickey's marketing catalog or have not been prepared by Dickey's or previously approved by Dickey's during the six (6) months prior to their proposed use. You are required to submit such unapproved plans and materials to Dickey's. Dickey's has fifteen (15) days from the date of receipt of these materials to approve or disapprove such plans and materials. You may not use unapproved plans or materials until they have been approved by Dickey's, and are required to promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Dickey's. (Franchise Agreement - Article 5).
3. Dickey's has established and intends to maintain a URL website, www.dickeys.com, promoting the System and identifying the location of franchise and company-owned Restaurants. You are required to authorize Dickey's to identify and promote your Restaurant on Dickey's website, and are prohibited from establishing your own URL website to promote your Restaurant. (Franchise Agreement - Article 5).
4. Dickey's or an affiliate administers a marketing fund for the purpose of producing marketing materials for the System on a System-wide basis (the "Marketing Fund"). You are required to make a continuous contribution to the Marketing Fund in an amount equal to four percent (4%) of the Net Sales of your Restaurant. As of the date of this Disclosure Document, all new franchisees under the System are required to contribute the same percentage of their Net Sales towards the Marketing Fund. However, certain franchisees who executed Franchise Agreements prior to the date of this Disclosure Document are may be required to contribute a lower percentage of their sales towards the Marketing Fund. The Marketing Fund is maintained and administered by Dickey's or its designee as follows:
 - a. The Marketing Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks. Dickey's will direct all marketing and advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials, and media used in such programs and the placement and allocation thereof. DBP will, with respect to company-

operated Restaurants, contribute to the Marketing Fund. In administering the Marketing Fund, Dickey's and its designees are not required to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

- b. The Marketing Fund may be used by Dickey's to satisfy or defray any and all costs of maintaining, administering, directing and preparing marketing campaigns, promotions and advertising, including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies to assist therein; costs of Dickey's personnel and other departmental costs for advertising that is internally administered or prepared by Dickey's; costs of providing other advertising materials to Restaurants; and costs of maintaining a national "1-800" customer and/or franchisee service telephone number if Dickey's elects to establish this service. All sums paid by you to the Marketing Fund will be maintained in a separate account by Dickey's or its designees and will not be used to defray any of Dickey's general operating expenses, except for such reasonable administrative costs, salaries and overhead, that Dickey's may incur in activities reasonably related to the administration or direction of the Marketing Fund and development and implementation of marketing programs for franchisees and the System. Any funds not spent in the fiscal year in which they accrue will be carried forward and used in connection with advertising activities conducted during the following fiscal year. The Marketing Fund will not be used by Dickey's for the targeted purpose of promoting franchise sales, but application of the Marketing Fund may indirectly benefit franchise sales. The Marketing Fund and its earnings will not otherwise inure to the benefit of Dickey's and will be operated solely as a conduit for collecting and expending the advertising fees as outlined above.

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- c. A statement of the operations of the Marketing Fund will be prepared annually by Dickey's and will be made available to you upon request, as well as an accounting of Marketing Fund expenditures. The Marketing Fund is audited on an annual basis as part of Dickey's annual audit. For calendar year 2007;2008, monies in the Marketing Fund were expended as follows:

<u>Category</u>	<u>Percentage</u>	<u>Dollar Amount</u>
Administrative	13.33 <u>9.27</u> %	\$142,390.15 <u>184,378</u>
Production	8.96 <u>12.23</u> %	\$95,739.29 <u>243,239</u>
Media Placement	65.57 <u>76.07</u> %	\$700,341.33 <u>1,512,847</u>
Other ¹	42.13 <u>2.43</u> %	\$129,538.63 <u>48,393</u>

- d. Although the Marketing Fund is intended to be of perpetual duration, Dickey's may terminate the Marketing Fund in its discretion. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for advertising or promotional purposes or returned to contributing franchised or company-operated Restaurants, without interest, on the basis of their respective contributions. (Franchise Agreement - Article 5).
5. You may be required to participate in a local or regional advertising cooperative organized and approved by Dickey's, and composed of certain other franchisees located in the geographic area in which you are located. Membership in, and the coverage of, each advertising cooperative is defined geographically, typically based upon the metropolitan area in which the Restaurant is located. Not all areas will have a Dickey's-approved advertising cooperative. If you are required to participate in a Dickey's-approved advertising cooperative, a certain percentage of your Marketing Fund contribution will may be applied towards advertising, marketing and promotions targeting the local or regional area comprising your advertising cooperative pursuant to the terms of a cooperative advertising agreement. The same percentage of each advertising cooperative member's sales revenue designated for advertising and marketing purposes under a franchise agreement with Dickey's will be applied towards such local or regional advertising, marketing and promotions. Advertising cooperatives are not required to prepare financial statements, but an accounting of the funds utilized by an advertising cooperative will be provided upon request by an advertising cooperative member. Each advertising cooperative is governed by the terms of an advertising cooperative agreement approved by Dickey's. Dickey's standard cooperative advertising agreement is available to you for review upon request. Advertising, marketing and promotional activities are based on a majority vote of the members of the advertising cooperative; however, Dickey's must approve all such activities and reserves the right to initiate any advertising, marketing and promotional activity on account of the advertising cooperative. Additionally, Dickey's administers the application of the funds designated for use by advertising cooperatives. Dickey's may terminate an advertising cooperative pursuant to the terms of each particular cooperative advertising agreement (typically by providing thirty (30) days prior written notice of its intent to terminate the advertising cooperative as of December 31st of the year the notice is given). Dickey's reserves the right to require advertising cooperatives to be formed, changed, dissolved or merged. Company-owned Restaurants are not required to participate in advertising cooperatives but may elect to do so. (Franchise Agreement - Article 5).
6. Currently there are no advertising counsels of franchicoos which Dickey's has established the National Franchise Advertising and Advisory Council (the "Council") to advise franchisees on advertising policies. The Council is composed of franchisees and representatives of Dickey's. The initial Council members were appointed by Dickey's. Future Council members will be elected by franchisees in the Council member's region. The Council serves in an advisory capacity only.

¹ The category "Other" consists of public relations fees, "mystery-shepper"-costs, food donations, community donations and food reimbursements.

and does not have operational or decision-making power. Dickey's has the power to dissolve or change the Council at any time without notice to you and may form other advisory councils.

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D. Site Selection

1. Dickey's requires that you lease the Restaurant site. Typically, Dickey's does not own the Restaurant sites leased to its franchisees. The site for the Restaurant is selected by you, subject to the acceptance of Dickey's. The Restaurant may not be relocated without Dickey's prior written consent. Before you lease the site for the Restaurant, you are required to locate a site that satisfies the site selection guidelines provided to you by Dickey's and submit to Dickey's, in the form specified by Dickey's, a description of the site, including evidence satisfactory to Dickey's demonstrating that the site satisfies Dickey's site selection guidelines, together with other information and materials that Dickey's may require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. You shall submit such information for the proposed site to Dickey's for its acceptance no later than ninety (90) days after the execution of the Franchise Agreement. Dickey's will have thirty (30) days after receipt of this information and materials from you to ~~approve~~accept or ~~disapprove~~not accept, in its sole discretion, the proposed site as the location for the Restaurant. You are required to acquire by lease, at your expense, the site for Restaurant within one hundred eighty (180) days after execution of the Franchise Agreement unless Dickey's decides, in its discretion, to extend such period. You must obtain the acceptance from Dickey's of any lease for the Restaurant premises prior to execution by you. If you fail to acquire a site for the Restaurant within the required period, Dickey's may, among other things, terminate the Franchise Agreement upon notice to you ~~and the expiration of any applicable cure period~~ and retain the Franchise Fee and any other fees paid you under the Franchise Agreement. (Franchise Agreement - Articles 1, 3 and 7).
2. Dickey's will provide to you such site selection guidelines and such site selection counseling and assistance as Dickey's deems advisable. Dickey's guidelines for site selection require an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), size and other physical attributes of the location, proximity to residential neighborhoods and proximity to shopping centers, entertainment facilities, other businesses that attract consumers and generate traffic and other factors deemed relevant by Dickey's. (Franchise Agreement - Articles 1, 3 and 7).
3. Dickey's will also provide on-site evaluation of a proposed site if Dickey's deems this to be necessary or in response to your request for site assistance; Dickey's will not provide on-site evaluation for any proposed site prior to the receipt of the materials required to be submitted to Dickey's as described above. Dickey's will provide up to three (3) on-site evaluations for your Restaurant (and for each Restaurant under a Development Agreement) at no additional charge to you. Thereafter, if additional on-site evaluations are deemed necessary by Dickey's, on its own initiative or at your reasonable request, you must pay a reasonable fee for each additional on-site evaluation and must reimburse Dickey's for all reasonable expenses in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging, meals, and wages. (Franchise Agreement - Articles 1, 3 and 7).
4. Dickey's estimates that the time from execution of the Franchise Agreement to the commencement of operations of the Restaurant will be from six (6) months to one (1) year. The actual time required may vary depending upon the time necessary to locate and then approve a site, financing, the permits and licenses necessary for the finish-out or renovation of the Restaurant and the operation of the Restaurant, the finish-out or renovation of the Restaurant as it may be affected by weather conditions, shortages, delivery schedules and other similar factors,

preparation of the interior and exterior of the Restaurant (including decorating, purchasing and installing fixtures, equipment and signs, and landscaping) and complete preparation for the operation of the Restaurant (including purchasing inventory and supplies). You are obligated to open the Restaurant and commence business within one (1) year following the execution of the Franchise Agreement, or in accordance with the development schedule set forth in the Development Agreement, as applicable. (Franchise Agreement - Articles 1, 3 and 7).

E. Training

1. Not later than twenty (20) days prior to the opening date of the Restaurant, your Operating Principal and two (2) other managers (or, if Dickey's permits, three (3) of your employees other than the Operating Principal) are required to have completed, to Dickey's satisfaction, Dickey's initial training program. Dickey's intends to offer initial training monthly. Training will be conducted at Dickey's corporate training center and/or at a company-operated Restaurant or another location designated by Dickey's. Dickey's current corporate training center is in Cedar Hill, Texas, a suburb of Dallas, Texas. Dickey's will determine, in its sole discretion, whether your employees have satisfactorily completed initial training. Dickey's anticipates that completion of the initial training program will require approximately four (4) weeks. If the training program is not satisfactorily completed by your employees, or if Dickey's, in its reasonable business judgment based upon the performance of your employees, determines that the training program cannot be satisfactorily completed by such person(s), you must immediately designate a replacement employee(s), as applicable, to complete such training. (Franchise Agreement - Articles 3, 8 and 9).
2. If the initial training program is not satisfactorily completed by any replacement employees (or the initial employees, if no replacement is designated) or if Dickey's determines that the training program cannot be satisfactorily completed by such person(s), Dickey's may, in its sole discretion, terminate the Franchise Agreement upon notice to you and the expiration of any applicable cure period and retain the Franchise Fee and any other fees paid by you under the Franchise Agreement. (Franchise Agreement - Articles 3, 8 and 9).
3. Dickey's will provide instructors and training materials for the initial training program at no additional charge to you. The training materials currently consist of the Manuals (including the Operations Manual, recipe book, training manual and marketing catalog), checklists, demonstrations and on the job-training. If additional persons attend the initial training program or if any successor employees are required to attend and complete, to Dickey's satisfaction, Dickey's initial training program, Dickey's may impose a training fee for such additional initial training programs. You are responsible for all expenses incurred by your employees in connection with any initial training program including, without limitation, costs of travel, lodging, meals, and wages. (Franchise Agreement - Articles 3, 8 and 9).
4. The Operating Principal and your employees may attend such additional or remedial training programs and seminars as Dickey's may offer from time to time. All certified managers shall be required to complete twelve (12) credit hours of continuing education courses per year at a rate of one (1) credit hour per month. Should a certified manager not fulfill the one (1) credit hour per month requirement, that manager will lose their certified status and be required to complete Dickey's field certification program in order to be recertified. At Dickey's discretion, such additional training (including on-site remedial training), will be mandatory for such individuals and other Restaurant personnel as required by Dickey's. For all such training, Dickey's will provide the instructors and training materials; however, Dickey's reserves the right to impose a reasonable fee for such training, including costs of travel, lodging, meals, and wages for Dickey's representatives. You are responsible for any and all expenses incurred by you or your employees in connection

with such additional training including, without limitation, the costs of travel, lodging, meals, and wages. (Franchise Agreement - Articles 3, 8 and 9).

5. In connection with the opening of the Restaurant, Dickey's will provide you with an "opening team" consisting of at least one (1) trained representative of Dickey's to provide on-site training, supervision and assistance for a period of time aggregating not less than ten (10) days. The on-site training, supervision and assistance need not be for ten (10) consecutive days and may be provided either before and/or after the opening of the Restaurant. Except as otherwise provided in this Item 11, you will be responsible for training all Restaurant personnel in accordance with the specifications and standards regarding such training described in the Manuals or otherwise in writing by Dickey's. (Franchise Agreement - Article 9.49).

6. Dickey's training staff is currently composed of two (2) people and is headed by Alicia Scheffler. (See Item 2). Ms. Scheffler's experience is detailed in Item 2. Randy Hubbard is the other in-house member of Dickey's training staff. From March, 1993 to October, 2007, Mr. Hubbard worked for DBP as a restaurant manager and has worked for Dickey's since October, 2007 as a Training Specialist.
7. Below is a summary of the subject matters, hours of classroom training, hours of on-the-job training and the location for Dickey's initial training program.

TRAINING PROGRAM			
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Restaurant Operation	Up to 8	Up to 66	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
Food Preparation and Service	Up to 8	Up to 40	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
Station Training	0	Up to 4	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
Purchasing	Up to 8	Up to 8	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
Accounting and Controls	Up to 8	Up to 4	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
Marketing and Advertising	Up to 18	Up to 8	Dickey's corporate training center in Cedar-Hill, Dallas, Texas, or at another Restaurant or location designated by Dickey's
TOTAL	Up to 50	Up to 130	

F. Point of Sale System

1. Before commencement of the operation of the franchised Restaurant, you must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other related accessories, peripherals, consoles and equipment required to operate the Aloha Point of Sale system (including such add-on consoles as Dickey's may require). The proprietary point of sale system is available from Radiant Systems, Inc., the only supplier currently approved by Dickey's. The current cost of the point of sale system is approximately \$10,000 to \$15,000. Dickey's also currently requires that you implement the and use the Profit Management Console reporting system, a product of Transactional Web, Inc., the only supplier currently approved by Dickey's. This reporting system currently costs \$150 per month. You must maintain the point of sale system and related consoles and keep them in good repair. Dickey's may also from time to time require you to purchase and utilize any additions, upgrades, enhancements and replacements of the software and hardware developed by or on behalf of Dickey's, or otherwise required by Dickey's, at such cost as Dickey's or its approved vendors make such upgrades, enhancements and replacements available to franchisees operating under the System. The cost of maintaining, updating, upgrading or replacing your point

of sale system cannot be estimated at this time because it will depend on your repair history, local costs of computer maintenance and service in your area and technological advances which cannot predict at this time. (Franchise Agreement - Article 8).

2. The point of sale system will store information concerning your sales, inventory, accounting and other operations. You may not further modify or manipulate (except for pricing) the database for the computer software systems without Dickey's prior consent. Dickey's may retrieve from your point of sale system all information we consider necessary, desirable or appropriate. There is no contractual limitation on Dickey's right to access information from your point of sale system. You will have independent access to the information that will be generated or stored in the point of sale and reporting system, but you may not manipulate the data that is generated. (Franchise Agreement - Article 8)

G. Development Agreement

If you enter into a Development Agreement with Dickey's, Dickey's will provide you the services set forth in this Item 11 for each of the Restaurants you open and operate. In addition, so long as you are in compliance with your obligations under the Development Agreement, Dickey's will not open or authorize any other party to open and operate a Restaurant within your designated Territory.

ITEM 12 TERRITORY

The Franchise Agreement grants to you the right to operate a Restaurant at a single location selected by you and accepted by Dickey's. You will offer the approved products and services of the System only through your Restaurant. You do not have the right to use alternative channels of distribution (e.g., catalog sales, internet sales, etc.) in connection with offering the products and services of the System unless otherwise approved by Dickey's.

The Restaurant will be located within a designated geographic area (the "Assigned Area") as described in the Franchise Agreement.

Once the Restaurant location is established and accepted, the Assigned Area shall automatically and without requirement of further action be modified to encompass and be limited to that geographical area (the "Exclusive Area") within one (1) mile of the Restaurant site. You are required to operate the Restaurant only at this accepted location and may not relocate the Restaurant without Dickey's prior written consent based upon its sole judgment and discretion. You may not establish or operate another Restaurant except pursuant to a separate Franchise Agreement.

Except as provided below, during the term of the Franchise Agreement and subject to your full compliance with the Franchise Agreement, neither Dickey's nor DBP will establish or operate a Restaurant or license any other person or entity to establish or operate a Restaurant within the Exclusive Area.

However, Dickey's, DBP, and any Dickey's franchisee may, at any time, advertise and promote the System and fulfill customer orders (including, but not limited to, by providing catering and delivery services) in the Exclusive Area. Dickey's may also offer and sell (and may authorize others to offer and sell) products and services which may be similar to those offered by the Restaurants, under the Proprietary Marks in the Exclusive Area, if offered and sold other than through a Restaurant (e.g., product and catalog sales, internet sales, grocery store sales, and other channels of distribution), and Dickey's may offer and sell (and may authorize others to offer and sell) products and services in the Exclusive Area which may be similar to those offered by the Restaurants, under names and marks other than the Proprietary Marks. Neither Dickey's nor any of its affiliates currently plan to operate or franchise businesses under a different mark which will offer goods or services similar to those offered under the System. Dickey's is not required to compensate you in any way for offering or selling in your Exclusive Area any of the products or services described in this paragraph.

During the term of the Franchise Agreement, the territorial rights granted to you are not dependent upon the achievement of a certain sales volume, market penetration or other contingency, nor are there any circumstances which permit Dickey's to modify your territorial rights prior to the expiration or termination of the Franchise Agreement. Except as provided in any Development Agreement, you will not be granted any options, rights of first refusal or similar rights to acquire additional franchises.

Under a Development Agreement, you are assigned a geographic area (the "Territory") within which you are required to develop two (2) or more Restaurants in accordance with a prescribed development schedule. The size of the Territory may range from a portion of a city or an unincorporated area to a single or multi-county or single state area and will be described in Article I of the Development Agreement typically by a map, by boundary streets or highways, city limit or county line boundaries, by an area encompassed within a radius of a specific distance (or a range of distances) or of a distance sufficient to encompass a specified population (or range of populations) or by such other method of delineation as Dickey's may prescribe.

Subject to your full compliance with the Development Agreement and the remaining part of this paragraph, neither Dickey's nor DBP will establish, or authorize any other person or entity, other than you, to establish, a Restaurant in the Territory during the term of the Development Agreement. Dickey's, any Dickey's franchisee, and any other authorized person or entity may, at any time, advertise and promote the System, or fulfill customer orders (including, but not limited to providing catering and delivery services) in the Territory. Dickey's may also offer and sell (and may authorize others to offer and sell) products and services which may be similar to those offered by the Restaurants, under the Proprietary Marks in the Territory or elsewhere, if offered and sold other than through a Restaurant (e.g., product and catalog sales, internet sales, grocery stores, and other channels of distribution) and Dickey's may offer and sell (and may authorize others to offer and sell) in the Territory or elsewhere, products and services which may be similar to those offered by the Restaurants, under names and marks other than the Proprietary Marks. Neither Dickey's nor any of its affiliates currently plan to operate or franchise a business under a different mark which will offer goods or services similar to those offered under the System. Dickey's is not required to compensate you in any way for offering or selling in your Territory any of the products or services described in this paragraph.

The territorial rights granted to you under the Development Agreement are not dependent upon the achievement of a certain sales volume, market penetration or other contingency except as stated in the following paragraph. Also, except as stated in the following paragraph, there are no circumstances under which the Territory may be altered prior to the expiration or termination of the Development Agreement.

If you fail to timely open the minimum number of Restaurants in compliance with the development schedule as required in the Development Agreement or otherwise commit a material event of default under the Development Agreement as described in Item 17, Dickey's may, in addition to other remedies, terminate, modify or reduce the Territory granted to you.

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ITEM 13 TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by or licensed to Dickey's, including the Mark (collectively, the "Proprietary Marks"), only in the manner authorized by Dickey's and only for the operation of the Restaurant at the location specified in the Franchise Agreement. The Development Agreement does not grant you any right to use or any interest in the Proprietary Marks.

The Proprietary Mark displayed on the cover page of this Disclosure Document, the principal commercial symbol which Dickey's will license to you, and the Proprietary Mark specified below, have been registered by DBP on the U.S. Patent and Trademark Office principal register as follows:

<u>Description</u>	<u>Federal Registration No.</u>	<u>Date of Registration</u>
Dickey's Barbecue, Pit, a Texas Tradition since 1941	1,980,0728	June 11, 1996
Dickey's Barbecue, since 1941 (with encircling oval)	2,878,761	August 31, 2004

All affidavits and renewals required to maintain the federal registration of the above-identified Proprietary Marks have been filed. A notice for the acceptance of the renewal of the "Dickey's Barbecue Pit, a Texas Tradition since 1941" mark was issued on September 16, 2006. No application for the registration of the Proprietary Marks has been filed in any state.

In addition, Dickey's has applied to register the Proprietary Mark displayed on the cover page of this Disclosure Document on the Canadian Trademark Registry. Such application was filed on February 21, 2006 and is identified as Application Number 1291779.

Dickey's acquired from DBP the right to use and license the use of the Proprietary Marks and System pursuant to a nonexclusive, perpetual license agreement from DBP ~~(See Item 1)~~ between Dickey's and DBP, a copy of which is attached as Exhibit D. Under the license agreement, Dickey's is specifically permitted to sublicense the use of the Proprietary Marks to you under the license agreement provided that Dickey's use of the Proprietary Marks is limited to (i) the promotion and operation of Restaurants by Dickey's or its licensees, the promotion, marketing and selling of franchises by Dickey's or its sublicensees, and any other use necessary or incident thereto and (ii) any other use approved in writing by DBP. Any other assignment or transfer of Dickey's rights under this ~~the~~ license agreement requires the prior written consent of DBP. The license agreement cannot be modified without the written consent of Dickey's and DBP. Additionally, the license agreement is perpetual in duration, but it may be terminated if either Dickey's or DBP are in default under the license agreement and such default is not cured within thirty (30) days of written notice of the same. A party is in default under the license agreement if (i) it breaches any covenant or agreement set forth in the agreement, (ii) it files or has filed against it a bankruptcy proceeding, (iii) a final non-appealable judgment in excess of \$10,000 is taken against it without being satisfied within thirty (30) days, (iv) it generally fails to pay its debts as they become due, or (v) it is legally dissolved. If the license agreement is terminated (i) Dickey's will no longer be entitled to utilize or license to new franchisees the right to use the Proprietary Marks, (ii) DBP will be entitled to use and license the Proprietary Marks, (iii) Dickey's must assign to DBP, upon DBP's request, Dickey's right, title and interest in and to all Franchise Agreements and (iv) any then-existing franchisee to whom the right to utilize the Proprietary Marks has been licensed may continue to utilize the Proprietary Marks until the expiration of the term of its Franchise Agreement and any renewal or option periods available or afforded to such franchisee at law or by agreement.

Except for the license agreement between Dickey's and DBP described above, there are no agreements currently in effect which significantly limit Dickey's rights to use or license the Proprietary Marks to you.

You are required to immediately notify Dickey's of any infringement or challenge to your use of the Proprietary Marks or claim by any person to any rights in any of the Proprietary Marks. You and your Principals are not permitted to communicate with any person other than Dickey's and Dickey's counsel in connection with any such infringement, challenge, or claim. Dickey's has sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation or Patent and Trademark Office or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any of the Proprietary Marks. You are required to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of Dickey's counsel, be necessary or advisable to protect and maintain Dickey's interests in any such litigation or Patent and Trademark Office or other administrative or other agency proceeding or to otherwise protect and maintain Dickey's interest in the Proprietary Marks.

Dickey's will indemnify you against and reimburse you damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks, provided that your conduct and that of your Principals with respect to such proceeding and use of the Proprietary Marks is in compliance with the terms of the Franchise Agreement. Notwithstanding anything to the contrary in this Item 13, to the extent required under applicable Minnesota law, Dickey's will protect your right to use the Proprietary Marks and other trademarks, service marks, trade names, logo types or other commercial symbols licensed to you by Dickey's or indemnify you for any loss, cost or expense arising out of any claim, suit or demand regarding the use of the same.

Except as provided above, Dickey's is not obligated by the Franchise Agreement to protect any rights granted to you to use the Proprietary Marks or to protect you against claims of infringement or unfair competition with respect to them. However, although Dickey's is not contractually obligated to protect the Proprietary Marks or your right to use them, as a matter of corporate policy, DBP and Dickey's intend to defend the Proprietary Marks vigorously.

Dickey's may require you to discontinue or modify your use of any of the Proprietary Marks or to use one (1) or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin if Dickey's, in its sole discretion, determines that such addition or substitution will be beneficial to the System. Dickey's will reimburse you for your direct out-of-pocket expenses incurred in such change up to a maximum amount of \$2,000.

You are required to comply with Dickey's instructions in filing and maintaining the requisite trade name or fictitious name registrations and you must execute any documents deemed necessary by Dickey's or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of DBP's or Dickey's ownership in the Proprietary Marks.

Your rights to the Proprietary Marks granted in the Franchise Agreement are nonexclusive to you. Dickey's and DBP, therefore, have and retain, subject only to your rights in the Territory and in the Assigned Area (See Item 12), certain rights with respect to the Proprietary Marks, including but not limited to the following rights:

1. To use and to grant other licenses for the use of the Proprietary Marks in addition to those licenses already granted to existing franchisees;
2. To develop and establish other systems using the Proprietary Marks or other names or marks and to use and to grant licenses or franchises thereto without providing any rights therein to you; and

3. To engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (i) the production, distribution, license and sale of products and services and (ii) the use in connection with such production, distribution, license and sale, of the Proprietary Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or used from time to time by Dickey's.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board or any state of trademark administrator or court regarding the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings regarding the Proprietary Marks. Further, there is no pending material federal or state court litigation regarding Dickey's use or ownership rights to the Propriety Marks. There are no superior prior rights or infringing uses regarding the Proprietary Marks known to Dickey's which could materially affect your use of the Proprietary Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or copyrights material to the franchise and Dickey's does not have any pending patent applications. There have not been any material determinations of the U.S. Patent Office, the U.S. Copyright Office or a court regarding any patent or copyright material to the franchise.

Dickey's claims a common law copyright, trade secret protection, and proprietary interests in the recipes, development and operating procedures and know-how contained in the Manuals or otherwise used in connection with the development and operation of the Restaurants. You and each of your Principals are prohibited, during the term of your Agreement, and thereafter, from communicating, divulging or using for the benefit of any other person, persons, partnership, association or corporation or other entity any confidential information, knowledge or know-how concerning the methods of development and operation of the Restaurants which may be communicated to you or any of your Principals or of which they may be apprised by virtue of your development and operation of a Restaurant under the terms of any Agreement. You and each of your Principals are permitted to divulge this confidential information only to your Principals and manager(s) of your Restaurant and such other personnel who must have access to it in order to operate the Restaurant. Neither you nor your Principals are permitted at any time, without Dickey's prior written consent, to copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. Any and all information, knowledge, know-how and techniques used in or related to the System which Dickey's communicates to you or your Principals including, but not limited to, the Manuals, recipes, plans and specifications, marketing information and strategies and site evaluation and selection guidelines and techniques, are deemed confidential for purposes of the Agreements.

At Dickey's request, you must require any holder of a beneficial interest of less than twenty percent (20%) of any class of securities of you and any corporation directly or indirectly controlling you, if you are a corporation, (or the securities of a corporate general partner and any corporation which controls, directly or indirectly, any general partner, or from any limited partner, if you are a partnership), having access to any confidential information of Dickey's, to execute covenants that they will maintain the confidentiality of the information they receive in connection with their relationship with you.

If you or your Principals develop any new concept, process, or improvement in the operation or promotion of a Restaurant, you are required to promptly notify Dickey's prior to implementation and provide Dickey's with all necessary related information, without compensation. Dickey's reserves the right to approve any such new concept, process or improvement prior to implementation. You and your Principals acknowledge that any such concept, process, or improvement will become the property of Dickey's and Dickey's may use or disclose such information to other franchisees or developers as it determines to be appropriate.

Except as disclosed in this Item 14, there are no present agreements which limit the use of any patent, patent application or copyright material to the franchise. Dickey's is not obligated to protect any patent or copyright, nor does Dickey's have any contractual obligation to defend its franchisees against any claims arising from a franchisee's use of patented or copyrighted materials.

Dickey's is not aware of any claims of any patent or copyright infringement which could materially affect you.

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ITEM 15
OBLIGATION TO PARTICIPATE
IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

You must designate and retain an individual to serve as the "Operating Principal" under the Franchise Agreement and the Development Agreement (if applicable). You must designate your Operating Principal at the time of execution of the applicable Agreement. The Operating Principal must meet the following qualifications:

1. For an Operating Principal under a Franchise Agreement:
 - (a) If you are an individual, you must perform all obligations of the Operating Principal.
 - (b) If you are a corporation, the Operating Principal must (i) own at least twenty percent (20%) of the shares of each class of the issued and outstanding capital stock in the corporate corporation and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require the corporation to take or omit to take any action which the corporation is required to take or omit to take under the Franchise Agreement.
 - (c) If you are a limited liability company, the Operating Principal must (i) own at least twenty percent (20%) of the membership interest and (ii) be entitled, under the regulations and under any agreement among the members, to cast a sufficient number of votes to require such limited liability company to take or omit to take any action which such company is required to take or omit to take under the Franchise Agreement.
 - (c) If you are a partnership, the Operating Principal must (i) own at least a twenty percent (20%) interest in the partnership, and at least a twenty percent (20%) interest in the shares of each class of capital stock of any corporate general partner and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under the Franchise Agreement.
 - (d) Except as may otherwise be provided in the Franchise Agreement, the Operating Principal's interest in you must remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options.
2. If you enter into a Development Agreement for two (2) or more Restaurants, the Operating Principal must be one of your principals unless otherwise approved by Dickey's. The term "principal" includes, your spouse, if you are an individual; all officers and directors of, and holders of a beneficial interest of one percent (1%) or more of any class of securities of, you and any corporation directly or indirectly controlling you, if you are a corporation; and the general partners of you and the officers and directors of, and holders of a beneficial interest of one percent (1%) or more of any class of securities of, a corporate general partner and any corporation which controls, directly or indirectly, any general partner, if you are a partnership, and any member and manager, if you are a limited liability company. If you execute a Development Agreement for three (3) or more Restaurants, notwithstanding anything contained in the Development to the contrary, you may designate multiple Operating Principals.

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3. If you operate only one (1) Restaurant, the Operating Principal is required to successfully complete Dickey's initial training program and devote full time and best efforts to the supervision and management of your Restaurant, unless Dickey's, in its sole discretion, permits you to designate a manager other than the Operating Principal to carry out the day-to-day management and supervision of the Restaurant. If you operate two (2) or more Restaurants, you must appoint at least two (2) managers per Restaurant (as determined by Dickey's) to carry out the day-to-day management and supervision of each such Restaurant. Although under certain circumstances described in this paragraph you may employ managers to carry out the day-to-day management and supervision of the Restaurant, Dickey's recommends that the Operating Principal participate in the on-premises supervision of the Restaurant. Each manager must be appointed in a timely manner in order to satisfy each manager's initial training obligation under the Franchise Agreement, must be approved in writing by Dickey's, and must devote full time and best efforts to the daily management and supervision of the Restaurant. The Operating Principal may be required to execute the Development Agreement (if applicable) and the Franchise Agreement as one of your principals and will be individually, jointly and severally bound by all of your obligations under the applicable Agreement.
4. The Operating Principal and any manager must meet any other of Dickey's standards and criteria for such positions, as set forth in the Manual or otherwise in writing by Dickey's. Managers are not required to have any equity interest in the franchise.
5. The Operating Principal and any manager must satisfy the training requirements set forth in Article 9 of the Franchise Agreement. If, during the term of the Franchise Agreement, the Operating Principal or any manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with the Franchise Agreement, you must promptly notify Dickey's and designate a replacement within thirty (30) days after the Operating Principal or manager ceases to serve. Any replacement will be subject to the same qualifications listed above. You must provide for interim management of the Restaurant until a replacement is designated, and this interim management must be conducted in accordance with the Franchise Agreement.
6. You are required to retain such additional managers, chefs, and other persons as Dickey's deems necessary for the operation and management of the Restaurant. All such personnel must satisfy Dickey's educational and business criteria as provided to you in the Manuals or otherwise and must be individuals acceptable to Dickey's. These individuals must also satisfy the applicable training requirements in Article 9 of the Franchise Agreement.
7. You may not employ any individual who is at the time or was at any time during the prior six (6) months employed in a managerial or administrative position by Dickey's or any of its subsidiaries or affiliates without the prior written consent of Dickey's. As a condition to such consent, you may be required to compensate the former employer for the reasonable costs and expenses incurred by the employer in connection with the training of any replacement employee.
8. Pursuant to the Franchise Agreement, at Dickey's request, you shall require and obtain from your Operating Principal, and any holder of a beneficial interest of not less than twenty percent (20%) of any class of your securities and any corporation directly or indirectly controlling you, if you are a corporation, (or of any corporate general partner and any corporation directly or indirectly controlling your general partner, if you are a partnership), who has received or will receive confidential information or training from Dickey's, execution of covenants not to compete and to maintain the confidentiality of information they receive in connection with their relationship with you. These covenants must be similar to those set forth in Article 18 of the Franchise Agreement.

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9. Pursuant to a Development Agreement, at Dickey's request, you shall require and obtain the execution of covenants similar to those set forth in Article 8 of the Development Agreement (including covenants applicable upon the termination of a person's employment with you) from your Operating Principal and any personnel of you and any holder of a beneficial interest of more than one percent (1%) of the securities of you and any corporation directly or indirectly controlling you, if you are a corporation (or of any corporate general partner and any corporation directly or indirectly controlling a general partner of you, if you are a partnership), who has received or will receive confidential information or training from Dickey's.
10. Each of your principals is required to jointly and severally guaranty payment and performance of your obligations to Dickey's.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to use the Restaurant premises solely for the operation of the Restaurant and must maintain business hours as provided for in the Manuals or as Dickey's may specify from time to time in writing. You may not use or permit the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Dickey's.

You are required to meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. You must furnish to Dickey's, within three (3) days after receipt, a copy of any inspection report, warning, citation, certificate, rating and any other document issued by any federal, state, local or other administrative agency, instrumentality or organization with respect to the health or safety conditions of the Restaurant

To ensure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with such methods, standards and specifications as required by law and as Dickey's may from time to time prescribe in the Manuals or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only such food and beverage items, ingredients, products, materials, equipment, supplies and paper goods that conform to Dickey's standards and specifications and that are acquired from vendors or suppliers approved by Dickey's; prepare all menu items in accordance with Dickey's recipes and procedures for preparation contained in the Manuals or other written directives, including the prescribed measurements of ingredients; and refrain from deviating from Dickey's standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without Dickey's prior written consent. You are required to sell and offer for sale only such menu items, products and services as have been expressly approved for sale in writing by Dickey's; to refrain from any deviation from Dickey's standards and specifications without Dickey's prior written consent; and to discontinue selling and offering for sale any menu items, products or services which Dickey's may, in its discretion, disapprove in writing at any time. (See Item 98).

You are required to offer for sale and sell at the Restaurant all menu items and other designated products and services (including gift cards) required by Dickey's and to provide such products and services in the manner and style prescribed by Dickey's, including dining-in, catering and carry-out services. Dickey's has the unlimited right to add, alter or discontinue the types of authorized goods and services which you may offer. You do not have the right to change the menu items and other designated products and services which you are required to offer and sell at the Restaurant.

Subject to the general policies and procedures set forth in the Manuals or otherwise announced by Dickey's from time to time (and specifically including periodic promotions announced by Dickey's from time to time) you have sole discretion as to the prices to be charged to customers for the offer and sale of any menu items, products, merchandise, and services.

Dickey's has developed and will continue to develop for use in the System certain products which are prepared from highly confidential secret recipes and which are trade secrets of Dickey's. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that Dickey's closely control the production and distribution of such products. Accordingly, if such products become a part of the System, you must use only Dickey's secret recipe products and must purchase solely from Dickey's or from a source designated by Dickey's in all of your requirements for such products.

Dickey's will make available at a reasonable cost and, at its option will require you to purchase from Dickey's for resale to your customers certain promotional merchandise identifying the System such as prepackaged barbecue sauce and other food items, gift cards, T-shirts, sweatshirts, caps, and watches, in amounts sufficient to meet your customers' demand.

You are required to maintain competent, conscientious, and trained personnel to operate the Restaurant in accordance with the Franchise Agreement and the Manuals and to take such steps as are necessary to ensure that your employees preserve good customer relations, comply with such dress code and/or wear uniforms as Dickey's may prescribe in the Manuals or otherwise and observe reasonable standards of grooming and cleanliness.

Dickey's does not restrict your solicitation of customers. All advertising and promotion by you in any medium must conform to the standards and specifications of Dickey's set forth in the Manuals or otherwise and all advertising and promotional plans and materials must be approved by Dickey's prior to your use of such plans and materials.

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ITEM 17 **RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise or Other Agreement	Summary
	[Article in Franchise Agreement/ Article in Development Agreement]	[Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]
a Length of the franchise term	Article 2/ Article 4	20 years, subject to periodic remodeling. Depends on number of Restaurants you commit to open.
b Renewal or extension of the term	Article 2/ Not applicable.	If you are not in default you can renew franchise for 10 additional years. The "renewal" of the franchise means that you may continue to operate the franchise at the existing location for an additional 10 years provided, among other things, that you execute Dickey's then-current Franchise Agreement which may contain different terms and conditions from the original franchise agreement. Not applicable.
c Requirements for franchisee to renew or extend	Article 2/ Not applicable.	Pay a renewal fee of \$10,000, sign a new <u>franchise agreement</u> in the then-current form, comply with the requirements of the new agreement (including higher royalties and advertising contributions, but excluding any franchise or renewal fees), remodel, give 6-12 months notice, satisfy all monetary obligations, provide evidence of your right to possession for the renewal term, execute a release (unless prohibited by applicable local law), comply with the then-current qualifications and training. Not applicable.
d Termination by franchisee	Articles 16 and 17/ Article 6	You may terminate the Franchise Agreement but will be required to comply with the matters set forth in, <u>among other things, make a lump sum payment of the royalty fees due for the remaining term of the Franchise Agreement (also see Item 17i, below).</u> You may terminate the Franchise Agreement but will be required to comply with the matters set forth in Item 17i.
e Termination by franchisor without cause	Article 16/ Article 6	Dickey's has no such rights. Dickey's has no such rights.
f Termination by franchisor with cause	Article 16/ Article 6	Dickey's can terminate only if a franchisee defaults. Dickey's can terminate if a developer defaults.
g "Cause" defined – curable defaults	Article 16/ Article 6	Pursuant to applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" appearing immediately below this table), Dickey's may not terminate the Franchise Agreement for any default until (i) Dickey's shall have provided written notice setting forth all of the reasons for the termination or cancellation of the Franchise Agreement at least ninety (90) days in advance of termination or cancellation and (ii) the reasons stated for the termination or cancellation in such notice shall not have been corrected to the satisfaction of Dickey's within sixty (60) days of receipt of the notice; except that such notice shall be effective immediately upon receipt for the following grounds for termination or cancellation: (a) voluntary abandonment of the franchise relationship; (b) conviction of an offense directly related to the business conducted pursuant to the franchised business; or (c) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with Dickey's trade name, trademark, service mark, logotype or other commercial symbol after receipt of written notice to cure of at least twenty-four (24) hours in advance thereof. Except as otherwise required under applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below), you have thirty (30) days to cure any default other than those specified in Item 17h.
h "Cause" defined – non-curable defaults	Article 16/ Article 6	Non-curable defaults include (i) voluntary abandonment of the franchise relationship; (ii) conviction of an offense directly related to the business conducted pursuant to the franchised business; or (iii) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with Dickey's trade name, trademark, service mark, logotype or other commercial symbol after

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Other Agreement	Summary
	[Article in Franchise Agreement/ Article in Development Agreement]	[Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]
		receipt of written notice to cure of at least twenty-four (24) hours in advance thereof. Except as otherwise required under applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below), non-curable defaults include bankruptcy or insolvency (Dickey's right to terminate upon a developer's bankruptcy may not be enforceable under federal bankruptcy law), judgments against you, levy or foreclosure of your assets, failure to pay the Development Fee, failure to comply with the development schedule, failure to timely execute Franchise Agreements and to pay Franchise Fee, failure to timely open Restaurants or replacement Restaurants, conviction or plea of nolo contendere to certain offenses by your Principal, threat or danger to public health or safety resulting from construction, maintenance or operation of any Restaurant, failure to designate a replacement Operating Principal, failure to comply with certain covenants, representations and warranties, transfer or attempted transfer of obligations under the Development Agreement, failure to affect an approved transfer upon death or disability, misuse of the Proprietary Marks, repeated material defaults.
i Franchisee's obligations on termination/non-renewal	Article 17/ Article 6	Obligations include ceasing operation of your Restaurant, <u>making a lump sum payment of the royalty fees due for the remaining term of the Franchise Agreement</u> , ceasing use of confidential information and the Proprietary Marks, completing the de-identification with Dickey's, at Dickey's option, assigning your lease and telephone number to Dickey's, payment of Dickey's damages, costs, and expenses and other fees, returning all Manuals, materials, files and customer lists, selling to Dickey's, at Dickey's option, all of your assets, and complying with confidentiality covenants (also see Item 17r., below). Obligations include loss, reduction or modification of Territory and compliance with non-competition covenants.
j Assignment of contract by franchisor	Article 15/ Article 7	No restriction on Dickey's right to assign. No restriction on Dickey's right to assign.
k "Transfer" by franchisee- defined	Article 15/ Article 7	includes transfer of contract or assets or ownership change/ includes transfer of contract or assets or ownership change.
l Franchisor approval of transfer by you	Article 15/ Article 7	Dickey's has the right to approve all transfers (except transfers of less than a "controlling interest" in you and less than 1% interest in publicly held corporations) but will not unreasonably withhold approval. Dickey's has the right to approve all transfers (except for certain transfers of less than 20% of your ownership interest and less than 1% interest in publicly traded corporations) but will not unreasonably withhold approval.
m Conditions for franchisor approval of transfer	Article 15/ Article 7	Except as otherwise required under applicable Minnesota law, conditions <u>conditions</u> include, payment of a \$10,000 transfer fee (or such greater amount if Dickey's costs and expenses exceed this amount), receipt of payment of all monetary obligations, no default under any agreements, execution of a general release (to the extent not prohibited under applicable law), execution of an agreement by the new franchisee to assume your obligations, if required, execution of a new Franchise Agreement and other agreements by the new franchisee, you remain liable for all of your obligations, the new franchisee completes training and otherwise qualifies and the new franchisee renovates the Restaurant as required. Except as otherwise required under <u>applicable</u> Minnesota law, conditions include: payment of a \$10,000 transfer fee (or such greater amount if Dickey's costs and expenses exceed this amount), payment of all monetary obligations, no default under any agreements, execution of a general release (to the extent not prohibited under applicable law), execution of an agreement by the new developer to assume your obligations, if required, execution of a new Development Agreement and other agreements by the new developer, you remain liable for all of your obligations and new developer satisfies Dickey's requirements for a developer.
n Franchisor's right of first refusal to acquire franchisee's business	Article 15/ Article 7	Dickey's can match an offer for the franchisee's business. Dickey's can match an offer for the developer's business.
o Franchisor's option to purchase franchisee's business	Article 17/ N/A	Dickey's has option to purchase the assets of your business upon termination of the franchise. Dickey's does not have any such option.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Other Agreement	Summary
	[Article in Franchise Agreement] Article in Development Agreement]	[Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]
p Death or disability of franchisee	Article 15/ Article 7	Franchise must be transferred to an approved buyer within 12 months in the event of death and 6 months in the event of disability./ Developer rights must be transferred to an approved buyer within 12 months in the event of death and 6 months in the event of disability.
q Non-competition covenants during the term of the franchise	Article 18/ Article 8	You will not divert any business or customer to a competitor and you will not be involved in a competing restaurant./ You will not divert any business or customer to a competitor and you will not be involved in a competing restaurant business.
r Non-competition covenants after the franchise is terminated or expires	Article 18/ Article 8	No competing business for 2 years within 30 miles of your Restaurant or within 5 miles of another Restaurant (including after assignment)./ No competing business for 2 years within the Territory or within 5 miles of another Restaurant
s Modification of the agreement	Article 24/ Article 14	Generally, no modifications without your consent, except Dickey's may unilaterally change the scope of the competition covenants, Proprietary Marks and Manual./ Generally, no modifications without your consent, except Dickey's may unilaterally change the scope of the competition covenants and the Proprietary Marks.
t Integration/merger clause	Article 26/ Article 14	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable./ Only the terms of the Development Agreement are binding (subject to state law). Any other promises may not be enforceable.
u Dispute resolution by arbitration or mediation	Article 26/ Article 14	Except as otherwise required under applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below), and except for certain claims, all disputes must be mediated and, if not resolved, arbitrated, in Dallas, Texas./ Except as otherwise required under applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below), and except for certain claims, all disputes must be mediated and, if not resolved, arbitrated, in Dallas, Texas.
v Choice of forum	Article 2926/ Article 14	Litigation must be in Dallas, County Texas except as otherwise required by applicable Minnesota law (See "Note Regarding Controlling Minnesota Law" below)./ Litigation must be in Dallas County, Texas except as otherwise required by applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below)./ Litigation must be in Dallas County, Texas except as otherwise required by applicable Minnesota Law below law.
w Choice of law	Article 2826/ Article 14	Texas law applies except as otherwise required by applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below)./ Texas law applies except as otherwise required by applicable Minnesota law (see "Note Regarding Controlling Minnesota Law" below).

Note Regarding Controlling Minnesota Law

To the extent required under applicable Minnesota law, the following supersede and override any inconsistent or contrary terms or provisions in this Disclosure Document, the Franchise Agreement and the Development Agreement, including with regard to the termination and renewal of your franchise:

MINNESOTA STATUTES, SECTION 80C.21 AND MINNESOTA RULE 2860.4400(J) PROHIBIT THE FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING A WAIVER OF A JURY TRIAL, OR REQUIRING THE FRANCHISEE TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES. IN ADDITION, NOTHING IN THE OFFERING CIRCULAR 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 THE JURISDICTION.

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINN. STAT. SEC. 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT.

Additionally, Minnesota may have court decisions which may supersede the Franchise Agreement or Development Agreement with regard to your relationship with Dickey's.

These states have statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: ARKANSAS fStat. Section 70-8071. CALIFORNIA fBus. & Prof. Code Sections 20000-200431. CONNECTICUT fGen. Stat. Section 42-133e et. seq1. DELAWARE fCode. Tit. 6. Ch. 25. Sections 2551 et seq1. HAWAII fRev. Stat. Section 482E-11. ILLINOIS 1815 ILCS 705/1-44; 815 ILCS 705/19 – 705/201. INDIANA fStat. Section 23-2-2.71. IOWA fCode Sections 523H.1-523H.171. MICHIGAN fStat. Section 19.854(27)1. MINNESOTA fStat. Section 80C.141. MISSISSIPPI fCode Sections 75-24-511. MISSOURI fStat. Section 407.4001. NEBRASKA fRev. Stat. Section 87-4011. NEW JERSEY fStat. Section 56:10-11. SOUTH DAKOTA fCodified Laws Section 37-5A-511. VIRGINIA fCode 13.1-557-574-13.1-5641. WASHINGTON fCode Section 19.100.1801. WISCONSIN fStat. Section 135.031. These and other states may have court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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**ITEM 18
PUBLIC FIGURES**

Dickey's currently does not use, compensate or provide any benefit to any public figure to promote its franchise, but reserves the right to do so in the future.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (i) a franchisor provides the actual records of an existing outlet you are considering buying; or (ii) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Roland Dickey, Jr., 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205, (972) 248-9899, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 20062007 TO 20082009				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2006	54	57	+3
	2007	57	65	+8
	2008	65	81	+16
Franchised	2009	81	101	+20
	2006 2007	56	6	+46
	2007 2008	6	6	0
Company-Owned	2008 2009	6	6	0
	2006	59	63	+4
	2007	63	71	+8
Total Outlets	2008	71	87	+16
	2009	87	107	+20

NOTES:

- (1) The figures above and in each subsequent table presented in this Item 20 are for the fiscal years June 1, 2005—May 31, 2006, June 1, 2006 – May 31, 2007 and 2007, June 1, 2007 – May 31, 2008, 2008 and June 1, 2008 – May 31, 2009.
- (2) Unless otherwise indicated, the company-owned Restaurants listed above and in each subsequent table presented in this Item 20 are owned by DBP and RGI.

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 20062007 TO 20082009		
State	Year	Number of Transfers
Texas	2006 2007	28
	2007 2008	67
	2008 2009	71 ¹
Total Missouri	2006 2007	20
	2008	0
	2009	1
Total	2007	6
	2008	7
	2009	11

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¹ The Restaurant located at 5724 Bryant Irvin Road, Fort Worth, Texas changed ownership two (2) times during this year.

**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2006 TO 2008**

State	Year	Outlets at Start of Year	Outlets Opened	Tenn- inations	Non- Renewals	Reacquired By Franchisor	Ceased Opera- tions - Other Reasons	Outlets at End of the Year
Canada	2006	0	01	0	0	0	0	01
	2007	01	10	0	0	0	01	10
	2008	10	0	0	0	0	10	0
United Kingdom	2006	0	0	0	0	0	0	0
	2007	0	01	0	0	0	01	0
	2008	0	10	0	0	0	10	0
Colorado	2006	20	0	0	0	0	0	20
	2007	20	0	0	0	0	0	20
	2008	20	03	0	0	0	0	20
Delaware	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
	2008	0	19	0	0	0	01	18
Florida	2006	03	0	0	0	0	0	03
	2007	03	10	0	0	0	0	13
	2008	13	02	0	0	0	10	05
Iowa	2006	0	0	0	0	0	0	0
	2007	0	1	0	0	0	0	1
	2008	1	10	0	0	0	0	21
Idaho	2006	0	01	0	0	0	0	01
	2007	01	10	0	0	0	01	10
	2008	10	01	0	0	0	0	1
Missouri	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
	2008	0	22	0	0	0	0	22
Mississippi	2006	0	01	0	0	0	0	01
	2007	01	01	0	0	0	0	02
	2008	02	12	0	0	0	03	1
North- Carolina	2006	0	01	0	0	0	0	01
	2007	01	0	0	0	0	0	01
	2008	01	20	0	0	0	0	21
Nebraska	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
	2008	0	12	0	0	0	01	1
New- Jersey	2006	10	0	0	0	0	0	10
	2007	10	03	0	0	0	0	13
	2008	13	0	0	0	0	10	03
New- Mexico	2006	10	0	0	0	0	0	10
	2007	10	01	0	0	0	0	1
	2008	1	0	0	0	0	0	1
Ohio	2006	0	10	0	0	0	0	10
	2007	10	23	0	0	0	10	23
	2008	23	0	0	0	0	10	13
Oklahoma	2006	0	10	0	0	0	0	10
	2007	10	01	0	0	0	10	01
	2008	01	0	0	0	0	01	0
Oregon	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
	2008	0	12	0	0	0	10	02
Tennessee	2006	1	0	0	0	0	0	1
	2007	1	0	0	0	0	01	10
	2008	10	10	0	0	0	0	20
Texas	2006	521	10	0	10	0	10	551
	2007	551	70	0	0	0	20	561
	2008	601	00	0	0	0	0	671
Virginia	2006	01	02	0	0	0	01	02
	2007	02	0	0	0	0	01	01
	2008	1	0	0	0	0	0	1
Total	2006	1	0	0	0	0	1	0
	2007	0	20	0	0	0	10	10
	2008	50	6	0	4	6	4	62
	2007	63	13	0	0	0	5	71
	2008	710	230	0	0	0	70	870

<u>Oregon</u>	<u>2007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2008</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2007 TO 2009

<u>State</u>	<u>Year</u>	<u>Outlets at</u> <u>Start of</u> <u>Year</u>	<u>Outlets</u> <u>Opened</u>	<u>Term-</u> <u>inations</u>	<u>Non-</u> <u>Renewals</u>	<u>Reacquired</u> <u>By</u> <u>Franchisor</u>	<u>Ceased</u> <u>Opera-</u> <u>tions -</u> <u>Other</u> <u>Reasons</u>	<u>Outlets at</u> <u>End of the</u> <u>Year</u>
<u>Pennsylvania</u>	<u>2007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2009</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>1</u>
<u>South</u> <u>Carolina</u>	<u>2007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2009</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Tennessee</u>	<u>2007</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2008</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2009</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
<u>Texas</u>	<u>2007</u>	<u>55</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>59</u>
	<u>2008</u>	<u>59</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67</u>
	<u>2009</u>	<u>97</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>99</u>
<u>Virginia</u>	<u>2007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2008</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>2009</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Total</u>	<u>2007</u>	<u>63</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>71</u>
	<u>2008</u>	<u>71</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>87</u>
	<u>2009</u>	<u>97</u>	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>112</u>

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2007 TO 2009

<u>State</u>	<u>Year</u>	<u>Outlets at</u> <u>Start of</u> <u>Year</u>	<u>Outlets</u> <u>Opened</u>	<u>Outlets</u> <u>Reacquired</u> <u>From</u> <u>Franchisee</u> <u>s</u>	<u>Outlets</u> <u>Closed</u>	<u>Outlets</u> <u>Sold to</u> <u>Franchisee</u> <u>s</u>	<u>Outlets at End of</u> <u>the Year</u>
<u>Texas</u>	<u>2007</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2008</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2009</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>New</u> <u>Mexico</u>	<u>2007</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2008</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2009</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Total</u>	<u>2007</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2008</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2009</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>

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**STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2006-TO-2008**

State	Year	Outlets-at- Start-of- Year	Outlets- Opened	Outlets- Reacquired Frsm- Franchisee s	Outlets- Closed	Outlets- Sold-to- Franchisee s	Outlets-at-End- of-the-Year
Texas	2006	4	0	4	0	0	5
	2007	5	0	0	0	0	5
	2008	5	0	0	0	0	5
New-Mexico	2006	4	0	0	0	0	4
	2007	4	0	0	0	0	4
	2008	4	0	0	0	0	4
Total	2006	5	0	4	0	0	9
	2007	6	0	0	0	0	6
	2008	6	0	0	0	0	6

PROJECTED OPENINGS AS OF MAY 31, 2008~~2009~~

State	Franchise Agreement Signed But Outlet not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
Arkansas	1	1	0
Arizona	4	4	0
California	2012	147	0
Colorado	2	2	0
Florida	52	52	0
Georgia	74	42	0
Iowa	2	2	0
Idaho	1	1	0
Indiana	1	1	0
Iowa	1	1	0
Kansas	2	2	0
Maryland	3	3	0
Michigan	4	4	0
Minnesota	44	43	0
Mississippi	1	1	0
Missouri	56	56	0
North Carolina	2	2	0
Nevada	21	21	0
New Mexico	1	1	0
New York	46	45	0
North Carolina	1	1	0
Ohio	1	1	0
Pennsylvania	21	21	0
South Carolina	4	4	0
Tennessee	1	1	0
Texas	4715	4713	0
Virginia	32	2	0
Wisconsin/Wyomona	12	1	0
Total	8767	7755	0

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LIST OF CURRENT FRANCHISEES

Franchisee	Address of Outlet	Telephone No. of Outlet
MML Restaurants Inc	10230 E Arapahoe Rd, Centennial, CO 80412	(303) 792-3414
MML Restaurants Inc	5350 S Santo Fe Dr, Littleton, CO 80120	(303) 893-2557
HMSHost USA LLC	14500 W Colfax Ste FG7, Lakewood, CO 80404	(303) 245-7400
Quickfeed Inc	1171 S Bay Rd, Dover, DE 19904	(302) 734-4934
DMD Properties LLC	5300 NE Edgewood Rd Ste 100, Cedar Rapids, IA 52444	(319) 373-1728
Lira LLC	2845 E Overland Rd Ste 190, Meridian, ID 83642	(208) 888-6117
Belmills LLC	9200 Olive Blvd, Olivette, MO 63132	(314) 993-9933
BKNJ Restaurants Inc	932 Meramec Station Rd Ste K, Valley Park, MO 63088	(636) 225-4237
Buell Restaurant Group LLC	13721 Manchester Rd, Baltwin, MO 63041	(314) 909-9000
CH Development Inc	50 Cross Creek Pkwy, Hattiesburg, MS 39402	(601) 450-4740
CMW Carolina Inc	200 Crossroads Blvd Ste 100, Cary, NC 27518	(919) 333-5804
Southerner's Corner LLC	6189 Bayfield Pkwy, Concord, NC 38027	(704) 363-3337
CMW Carolina Inc	5318 New Hope Commons Dr Ste 210, Durham, NC 27707	(919) 449-4401
Arnold's Family Dining Corp	14140 F St Ste 113, Omaha, NE 68144	(402) 575-5636
Englefield Inc	1405 W Church St, Newark, OH 43055	(740) 344-1742
HMSHost USA LLC	465 Qpry Mills Dr, Nashville, TN 37214	(615) 514-3663
JMB Crossville LLC	965 Northside Dr, Crossville, TN 38555	(931) 484-4900
Conrado Enterprises Inc	3469 Dalworth St, Grand Prairie, TX 75050	(972) 641-9044
Cubix Enterprise Inc	3445 W Northwest Hwy Ste 106, Dallas, TX 75330	(314) 350-3095
SCR 111e	2949 Forest Ln, Dallas, TX 75234	(972) 247-4534
Addison's Best BBQ Inc	14999 Preston Rd Ste 1000, Dallas, TX 75254	(972) 661-2006
Mesquite BBQ Inc	3700 Cus Thomasson, Mesquite, TX 75450	(972) 686-6822
Mark's Food Enterprise Inc	5330 N Macarthur Blvd Ste 168, Irving, TX 75038	(972) 580-1917
Arapaho BBQ Inc	1159 N Plano Rd, Richardson, TX 75081	(972) 907-8494
Muhammad Afzal	17721 Dallas Pkwy Ste 130, Dallas, TX 75287	(972) 743-8909
Southwest Minority Financial Group Inc	DFW Airport Terminal A Gate 19, Dallas, TX 75261	(972) 574-3798
Southwest Minority Financial Group Inc	DFW Airport Terminal C Gate 6, Dallas, TX 75261	(972) 574-3857
Southwest Minority Financial Group Inc	DFW Airport Terminal E Gate 12, Dallas, TX 75261	(973) 574-3867
Preston Road BBQ Inc	4032 Preston Rd, Plano, TX 75093	(972) 398-3030
HMSHost USA LLC	3000 Grapevine Pkwy Ste 1000, Grapevine, TX 76051	(973) 734-6704
HMSHost USA LLC	2404 S Stemmons Fwy, Lewisville, TX 76051	(973) 316-2890
Cubix Enterprise Inc	7264 N Harwood, Dallas, TX 75204	(214) 740-1661
Rawlett BBQ Inc	5000 Rawlett Rd, Rowlett, TX 75088	(972) 475-6838
Arterburn Bros LP	3324 McKinney Ave, Dallas, TX 75301	(314) 703-3591
Rahum Inc	1001 N Beckley Ste 116A, De Soto, TX 75145	(469) 567-8341
Seaney Inc	801 S Denton Tap, Coppell, TX 75049	(972) 393-7800
HMSHost USA LLC	5000 Katy Mills Cir Ste 930, Katy, TX 77494	(281) 644-3663
Allen BBQ Inc	405 S Control Expy, Allen, TX 75013	(314) 495-8877
Arterburn Bros LP	1700 Dalrock Rd, Rowlett, TX 75088	(314) 703-2634
Arterburn Bros LP	5745 SH 124, The Colony, TX 75056	(214) 703-2702
Ganssler Inc	5530 S Cooper, Arlington, TX 76017	(817) 468-0898
Summit Restaurants LP	1801 Ballpark Way, Arlington, TX 76006	(817) 361-6600
Culinaire International Inc	1980 Colonial Pkwy, Fort Worth, TX 76440	(817) 759-7500
Summit Restaurants LP	454 University Dr, Fort Worth, TX 76107	(617) 231-8813
Summit Restaurants LP	711 Koller Pkwy, Koller, TX 76348	(817) 741-7676
MCB CD LLC	3301 W Hwy 30, Croonville, TX 75403	(903) 441-0200
Select Food Enterprise Inc	1301 Elm St Ste LL5, Dallas, TX 75370	(214) 760-3400
380 Crossroad Inc	2404 Hwy 380, Crossroads, TX 76227	(940) 440-0514
W Douglass Distributing Ltd	529 W Lamar St, Sherman, TX 75090	(903) 870-2083
FHC Restaurants Inc	7070 Proton Rd, Frisco, TX 75034	(973) 377-7679
Mandeep Singh	130 E Highway 60, Fomoy, TX 75160	(972) 564-5577
MA Goens Inc	600 N Central Expy, McKinney, TX 75070	(972) 540-5340

LIST OF CURRENT FRANCHISEES

Franchisee	Address of Outlet	Telephone No. of Outlet
Samsean Inc	1009 N Hwy 77, Woxohochio, TX 75165	(972) 937-2030
Asia Modern LLC	3254 Irving Blvd, Dallas, TX 75247	(214) 638-5123
BCF Enterprises Inc	4304 Gentury Way, Wylie, TX 75098	(972) 429-8525
TLC Restaurants LLC	1858 Precinct Line Rd, Hurst, TX 76054	(817) 656-0200
Woathorford BBQ LP	2020 S Main St, Woathorford, TX 76086	(817) 594-0521
LDB Restaurant Inc	5724 Bryant Irvin Rd, Fort Worth, TX 76132	(817) 361-1034
Buffalo Partners Ltd	2740 W Commerce, Buffalo, TX 75831	(902) 322-6666
Karim-Forooshani and Parviz Karimi	3711 Bollline Rd, Addison, TX 75001	(972) 241-1800
JLB Barbecue LLC	501 N Industrial Blvd Ste 100, Bedford, TX 76021	(817) 354-5551
Skaneey Inc	3320 Long Prairie Rd, Flower Mound, TX 75022	(972) 691-0197
Muhammad Afzal	3220 E Hebron Pkwy, Carrollton, TX 75010	(972) 307-1100
JLB Barbecue LLC	1000 NE Loop 820, Fort Worth, TX 76106	(817) 289-0027
Mehdi Pourvali	1624 W Hebron Pkwy, Carrollton, TX 75610	(972) 192-5390
Almeda Barbecue LLC	1224 N Hwy 377 Ste 224, Roanoke, TX 76262	(817) 491-3400
Select Food Enterprise Inc	1050 E Trinity Mills, Carrollton, TX 75006	(972) 446-1400
Shelley's BBQ Inc	621 North Valley Mills, Waco, TX 76740	(254) 776-2228
SNI Food Inc	9004 Garland Rd, Dallas, TX 75218	(214) 321-7018
Bar-B-Q Pit Stop No 1 LLC	10700 Kuykendahl Rd Ste A, The Woodlands, TX 77384	(281) 298-8422
AJ Food Service LLC	21004 Southwest Fwy Ste 102, Rosenberg, TX 77471	(281) 342-7000
Simone Jones LLC	2297 Earl Rudder Fwy, College Station, TX 77840	(979) 696-5400
Max E Enterprises Inc	7247 Bandera Rd, San Antonio, TX 78238	(210) 543-9700
Tull Inc	6421 Iptown Blvd, Cedar Hill, TX 75034	(972) 203-9662
Abundant Food Services Inc	2525 Wycliff Ave Ste 130, Dallas, TX 75210	(214) 780-0999
Denton BBQ Inc	3721 S I-35 E, Denton, TX 76210	(940) 566-5290
McKinney BBQ Inc	8628 Hwy 121, McKinney, TX 75070	(972) 727-1300
Smoke and Fire Inc	5412 Slide Rd Ste 100, Lubbock, TX 79414	(806) 791-5300
Sidsam Inc	1630 Valwood Pkwy, Carrollton, TX 75006	(972) 280-9191
TGB Foods Inc	4017 Wards Rd, Lynchburg, VA 24503	(434) 237-8465

LIST OF CURRENT FRANCHISEES

Franchisee	Address of Outlet	Telephone No. of Outlet
Dickey's Barbecue Pits Inc	4610 Central Expy, Dallas, TX 75206	(214) 370-4550
Conrado Enterprises Inc	2469 Dalworth St, Grand Prairie, TX 75050	(972) 641-9044
Dickey's Barbecue Pits Inc	1211 14th St, Plano, TX 75074	(972) 423-9960
Dickey's Barbecue Pits Inc	7770 Forest Ln, Dallas, TX 75230	(214) 691-1494
Dickey's Barbecue Pits Inc	1441 Coit Rd Ste A, Plano, TX 75075	(972) 867-2901
Cubix Enterprise Inc	2445 W Northwest Hwy Ste 106, Dallas, TX 75220	(214) 350-3095
Shallow Creek Restaurants Inc	2919 Forest Ln, Dallas, TX 75234	(972) 247-1534
Renaissance Advantage Group LLC	3700 Gus Thomasson, Mesquite, TX 75150	(972) 686-6822
Addison's Best BBQ Inc	14999 Preston Rd Ste 100C, Dallas, TX 75254	(972) 661-2006
Asia Modern LLC	5330 N Macarthur Blvd Ste 168, Irving, TX 75038	(972) 580-1917
Arapaho 5 BBQ Inc	1150 N Plano Rd, Richardson, TX 75081	(972) 907-8494
Southwest Minority Financial Group Inc	DFW Airport, Terminal A, Gate 19, Dallas, TX 75261	(972) 574-3798
Southwest Minority Financial Group Inc	DFW Airport, Terminal C, Gate 6, Dallas, TX 75261	(972) 574-3857
Southwest Minority Financial Group Inc	DFW Airport, Terminal E, Gate 12, Dallas, TX 75261	(972) 574-3867
Preston 5 BBQ Inc	4032 Preston Rd, Plano, TX 75093	(972) 398-3030
HMSHost USA LLC	3000 Grapevine Pkwy Ste 1000, Grapevine, TX 76051	(972) 724-6701
Cubix Enterprise Inc	726 N Harwood, Dallas, TX 75201	(214) 740-1661
HMSHost USA LLC	2401 S Stemmons Fwy, Lewisville, TX 76051	(972) 316-2890
JR BBQ Inc	5000 Rowlett Rd, Rowlett, TX 75088	(972) 475-6838
MML Restaurants Inc	10230 E Arapahoe Rd, Centennial, CO 80112	(303) 792-2444
Arterburn Brothers LP	2324 McKinney Ave, Dallas, TX 75201	(214) 703-2591
HMSHost USA LLC	5000 Katy Mills Cir Ste 930, Katy, TX 77494	(281) 644-3663

LIST OF CURRENT FRANCHISEES

<u>Franchisee</u>	<u>Address of Outlet</u>	<u>Telephone No. of Outlet</u>
Allen 75 BBQ Inc	405 S Central Expy, Allen, TX 75013	(214) 495-8877
Rahum Inc	1001 N I-35 E Ste 116A, Desoto, TX 75115	(469) 567-8341
Seaney Inc	801 S Denton Tap Rd, Coppell, TX 75019	(972) 393-7800
HMSHost USA LLC	465 Opry Mills Dr, Nashville, TN 37214	(615) 514-3663
Dickey's Barbecue Pits Inc	4811 NE Pan American Fwy, Albuquerque, NM 87109	(508) 345-2788
Ganssler Inc	5530 S Cooper, Arinotn, TX 76017	(817) 468-0898
Arterburn Brothers LP	5745 SH 121, The Colony, TX 75056	(214) 703-2702
Cuinaire International Inc	1989 Colonial Pkwy, Fort Worth, TX 76110	(817) 759-7500
Select Food Enterprise Inc	1201 Elm St Ste FC4, Dallas, TX 75270	(214) 760-2400
MML Restaurants Inc	5350 S Santa Fe Dr, Littleton, CO 80120	(303) 893-2557
380 Crossroad Inc	2401 Hwy 380, Crossroads, TX 75227	(940) 440-0514
Summit Restaurants LP	1801 Ballpark Way, Arlington, TX 76006	(817) 261-6600
Samsean Inc	1009 N Hwy 77, Waxahachie, TX 75165	(972) 937-3030
Mandeep Singh	120 E Highway 80, Fomey, TX 75160	(972) 564-5577
HMSHost USA LLC	14500 W Colfax FC7, Lakewood, CO 80401	(303) 215-7100
Asia Modern LLC	3254 Irvin Blvd, Dallas, TX 75247	(214) 638-5123
W Douglass Distributing Ltd	529 W Lamar St, Sherman, TX 75090	(903) 870-2083
Surfina Gator LLC	1509 W 7th Ave, Corsicana, TX 75110	(903) 875-1818
Travco Ranch LLC	7070 Preston Rd, Frisco, TX 75034	(972) 377-7679
TLC Restaurants LLC	1858 Precinct Line Rd, Hurst, TX 76054	(817) 656-0200
BCF Enterprises Inc	1301 Century Way, Wylie, TX 75098	(972) 429-8525
Buffalo Partners Ltd	2710 W Commerce, Buffalo, TX 75831	(903) 322-6666
Sloantha Inc	5724 Bryant Irvin Rd, Fort Worth, TX 76132	(817) 361-1034
Summit Restaurants LP	451 University Dr, Fort Worth, TX 76107	(817) 231-8813
JLB Barbecue LLC	1000 NE Loop 820, Fort Worth, TX 76106	(817) 289-0027
Sloaney Inc	3320 Lona Prairie, Flower Mound, TX 75022	(972) 691-0197
Almeda Barbecue LLC	1224 N Hwy 377 Ste 221, Roanoke, TX 76262	(817) 491-3100
Select Food Enterprise Inc	1050 E Trinity Mills, Carrollton, TX 75006	(972) 446-1400
MA Goens inc	600 N Central Expy, McKinney, TX 75070	(972) 540-5340
Summit Restaurants LP	711 Keller Pkwy, Keller, TX 76248	(817) 741-7676
SNI Food Inc	9004 Gariand Rd, Dallas, TX 75218	(214) 321-7018
JLB Barbecue LLC	501 N Industrial Blvd Ste 100, Bedford, TX 76021	(817) 354-5551
Muhammad Afzal	3220 E Hebrn Pkwy, Carrollton, TX 75010	(972) 307-1100
McKinney 121 BBQ Inc	8628 Hwy 121, McKinney, TX 75070	(972) 727-1300
Bar-B-Q Pit Stop No 1 LLC	10700 Kuykendahl Rd Ste A, The Woodlands, TX 77381	(281) 298-8422
Englefield Inc	1195 W Church St, Newark, OH 43055	(740) 344-1742
Lira LLC	2845 E Overland Rd Ste 190, Meridian, ID 83642	(208) 888-6117
Southerner's Corner LLC	6189 Bayfield Pkwy, Concord, NC 28027	(704) 262-3337
Wayne Elliott	642 Uptown Blvd, Cedar Hill, TX 75034	(972) 293-9662
Max-E-Enterprisep Inc	7247 Bandera Rd, San Antonio, TX 78238	(210) 543-9700
CH Development Inc	50 Cross Creek Pkwy, Hattiesburg, MS 39402	(601) 450-1710
GMW Carolina Inc	200 Crossroads Blvd Ste 100, Cary, NC 27518	(919) 233-5801
Smoke and Fire Inc	5412 Slide Rd Ste 100, Lubbock, TX 79414	(806) 791-5300
BKNJ Restaurants Inc	932 Meramec Station Rd Ste K, Valley Park, MO 63088	(636) 225-4227
Sidsam Inc	1630 Valwood Pkwy, Carrollton, TX 75006	(972) 280-9191
TCB Foods Inc	4017 Wards Rd, Lynchburg, VA 24502	(434) 237-8465
Belmills LLC	9200 Olive Blvd, Olivette, MO 63132	(314) 993-9933
Denton 35 BBQ Inc	3721 S I-35 E, Denton, TX 76210	(940) 566-5290
Abundant Food Services Inc	2525 Wyckoff Ave Ste 130, Dallas, TX 75219	(214) 780-0999
Simone-Jones LLC	2297 Earl Rudder Fwy, College Station, TX 77840	(979) 696-5400
GMW Carolina Inc	5318 New Hope Commons Dr Ste 210, Durham, NC 27707	(919) 419-1101
Belmiss LLC	13721 Manchester Rd, Bailwin, MO 63011	(314) 909-9000
Arizona Barbeque LLC	7337 E Shea Blvd, Scottsdale, AZ 85260	(480) 368-5569
DHC Forum Inc	2624 Cindy Ln, Snellville, GA 30055	(770) 982-1977
LPC Enterprise Inc	43321 Boscell Rd Ste P9-B, Fremont, CA 94538	(510) 687-1805
Summit Barbeque LLC	3221 Schoenersville Rd, Bethlehem, PA 18017	(610) 625-2200
Pestka-Prentiss Barbeque Pit LLC	2470 Happy Valley Rd, Phoenix, AZ 85085	(623) 869-0011
Plutus Partners LLC	2587 Fm 423, Little Elm, TX 75068	(469) 362-6776

LIST OF CURRENT FRANCHISEES

<u>Franchisee</u>	<u>Address of Outlet</u>	<u>Telephone No. of Outlet</u>
Restaurant Growth Inc	2951 Ridg Rd Ste 119, Rockwall, TX 75082	(972) 771-7205
Townsc LLC	2131 Hog Mountain Rd, Watkinsville, GA 30677	(706) 705-1326
Bruce Norden	4706 Utica Ridge Rd, Davenport, IA 52807	(563) 344-4757
Max-E-Enterprises Inc	834 NW Loop 410 Ste 105, San Antonio, TX 78216	(210) 979-7733
313 Investments Inc	459 S McCaslin Blvd, Louisville, CO 80027	(303) 604-0223
JSC & Associates LLC	11971 Central Ave Ste A, Chino, CA 91710	(909) 902-1374
BBO So Cal LLC	9670 Haven Ave, Rancho Cucamonga, CA 91730	(909) 477-4555
Aghom Enterprises LLC	3140 S Wadsworth Blvd, Lakewood, CO 80227	(303) 989-1550
3 Amigos Business Management LLC	18900 Beach Blvd Ste 112, Huntington Beach, CA 92648	(714) 962-0008
WRAB LLC	260 N Kimball Ave, Southlake, TX 76092	(817) 442-5700
Verdara Investments LLC	6001 Wade Hampton Blvd, Taylors, SC 29687	(864) 848-0004
The Harry & Joseph Company LLC	401 W Whitestone Blvd Ste C100, Cedar Park, TX 78613	(512) 250-1495
Food N Gryn Inc	4210 N 1st Ave, Tucson, AZ 85719	(520) 292-4664
LTK Faith Hospitality LLC	3107 TPC Pkwy Ste 106, San Antonio, TX 78259	(210) 497-1177
D and M Rib Team LLC	395 E Plumb Ln, Reno, NV 89502	(775) 324-7427
Haskell Restaurant Group LLC	5210 W Wadley Ave, Midland, TX 79707	(432) 689-4500
JPOue LLC	7430 Las Vegas Blvd S Ste 110, Las Vegas, NV 89123	(702) 220-4227
Castle BBQ Enterprise Inc	5414 Deep Lake Rd, Oviedo, FL 32765	(407) 657-5018
Rohrbach LLC	3030 Plaza Bonita Rd, National City, CA 91950	(619) 470-2227
El Paso Barbeque Company Inc	1921 Zaragoza Rd Ste 103, El Paso, TX 79938	(915) 855-4000
Premier Group Properties LLC	1555 Meadowview Dr, Danville, VA 24541	(434) 685-3446
Jamie Springs	1121 State Route 3 N, Gambrills, MD 21054	(410) 451-2328

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**LIST OF FRANCHISEES WITH TERMINATED, CANCELLED OR NON-RENEWED OUTLETS,
WHO CEASED TO DO BUSINESS OR HAVE NOT RECENTLY COMMUNICATED WITH DICKEY'S**

Franchisee	City	State	Current Business Telephone No. or Alternative Contact Information
2076074 Ontario Ltd <u>Norton Thonachua</u>	Kingston <u>Sanja Clarita</u>	Ontario, CA	(613661) 544250-72009529
Lonestar BBQ Ltd <u>Quickfood Inc</u>	Cardiff <u>Dover</u>	Wales, UK	(972302) 424734-16234931
Emirates Investments <u>DMD Properties LLC</u>	Wildwood <u>Cedar Rapids</u>	FL	(352319) 748362-34253260
HMSHost USA <u>DMD Properties LLC</u>	Ridgefield <u>Cedar Rapids</u>	NJ	(304319) 943373-41741728
Soup # Nuts <u>DMD Restaurants LLC</u>	Sandusky <u>Coralville</u>	OH	(419319) 626338-42277435
Tajus # <u>Valera Ventures LLC</u>	Chester <u>Beltsville</u>	OH	(513301) 829595-49001820
Arnold's Family Dining Corp	Omaha	NE	(402) 575-5636
JMB Crossville LLC	Crossville	TN	(931) 484-4900
Sinclair Restaurant Developments Inc	Carrollton	TX	(972) 492-5390
Muhammad Afzal	Dallas	TX	(972) 713-8909
MCB CD LLC	Greenville	TX	(903) 441-0200
Stillwell <u>AJ Food Court Service LLC</u>	Stillwell <u>Rosenberg</u>	OK	(913281) 696342-40477000
PFMM LLC	Klamath Falls	OR	(641) 885-3000
TJ-West Enterprises LLC	Grapevine	TX	(817) 229-0331
SNI Food Inc	Dallas	TX	(214) 249-9335
Wilovle Inc	Round Rock	TX	(512) 255-3500
Arterburn Bros <u>Brothers LPLLC</u>	Dallas <u>Rowlett</u>	TX	(972214) 309703-60932631
Sodexo <u>Bjll Inc Allison</u>	Edinburgh <u>Waco</u>	TX	(956254) 384776-05042228
JM Foods # <u>LC Weatherford BBQ LP</u>	Salem <u>Weatherford</u>	VA	(540817) 387594-98980521

NOTES:

- (1) The above table lists information for each franchisees who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recent completed fiscal year, or who has not communicated with Dickey's within ten (10) weeks of the issuance date of this disclosure document.
- (2) If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

INFORMATION REGARDING PREVIOUSLY-OWNED FRANCHISED OUTLETS UNDER FRANCHISOR'S CONTROL

Owner	City	State	Current Business Tel. No. / Last Known Home Tel. No.	Time Period When Previous Owner Controlled Outlet	Reason For Change in Ownership	Time Period When Franchisor Retained Control of Outlet
Lynn Marriott and David Martin	Corsicana	TX	903-874-4000	November 2003 - July 2005	Financial hardship	July 2005 - Present

NOTES:

- (1) The above information for each outlet listed is for the time period constituting Dickey's last five (5) fiscal years.
- (2) Control of the above outlet was retained by RGI.

During the last three (3) fiscal years, Dickey's franchisees have signed confidentiality clauses. In some instances current and former franchisees sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the System known to Dickey's.

ITEM 21
FINANCIAL STATEMENTS

The following audited financial statements are attached to this Disclosure Document as Exhibit A:

1. Audited balance sheet of Dickey's as of May 31, 2008, ~~2009~~, and related statement of operations, shareholders' equity and cash flows for the year then ended.
2. Audited balance sheet of Dickey's as of May 31, 2008, and related statement of operations, shareholders' equity and cash flows for the year then ended.
3. ~~2-~~Audited balance sheet of Dickey's as of May 31, 2007, and related statement of operations, shareholders' equity and cash flows for the year then ended.
3. ~~Audited balance sheet of Dickey's as of May 31, 2006, and related statement of operations, shareholders' equity and cash flows for the year then ended.~~

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**ITEM 22
CONTRACTS**

Attached to this Disclosure Document are copies of the following contracts and agreements (and the attachments thereto) regarding the franchise offering:

- L Franchise Agreement (attached as Exhibit B)
- 2. Development Agreement (attached as Exhibit C only if you are considering more than one (1) Restaurant)
- 3. Trademark License Agreement (attached as Exhibit D)

**ITEM 23
RECEIPTS**

Two (2) copies of a detachable acknowledgement of receipt are attached to this Disclosure Document as Exhibit G.

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EXHIBIT A
FINANCIAL STATEMENTS

EXHIBIT B
FRANCHISE AGREEMENT

EXHIBIT C
DEVELOPMENT AGREEMENT

EXHIBIT D
TRADEMARK LICENSE AGREEMENT

TRADEMARK LICENSE AGREEMENT

This License Agreement is made and entered into effective as of (although not necessarily on) March 1, 1994, and hereby amended as of June 1, 2004, by and between Dickey's Barbecue Pit, Inc., a Texas corporation, with its principal place of business at 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205 ("DBP"), and Dickey's Barbecue Restaurants, Inc., a Texas corporation with its principal place of business at 4514 Cole Avenue, Suite 100, Dallas, Texas 75205 ("DBR").

WHEREAS, DBP has developed and acquired valuable rights and goodwill in certain trade names and service marks including the name and mark "Dickey's", the service marks attached hereto as Exhibit "A", and all logos, insignias, and trade dress associated therewith.

WHEREAS, DBP has filed an application with and obtained registrations from the United States Patent and Trademark Office for the service marks described on Exhibit "A" and all goodwill associated therewith.

WHEREAS, the above-described trade name, trademark, service marks, logo, insignia, trade dress, registrations, and applications, together with all goodwill and rights associated therewith, are hereinafter sometimes collectively referred to as the "Marks".

WHEREAS, DBP desires to grant DBR an exclusive license to use and sublicense the Marks in connection with the business to be conducted by DBR and its sublicensees, subject to DBP's right to control the standard of services offered under the Marks and subject to DBP's ongoing rights to continue to utilize the Marks for its own account.

NOW, THEREFORE, for and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed: DBP and DBR hereby agree as follows:

1. DBP hereby grants to DBR the perpetual prepaid right to use the Marks on a worldwide basis under the terms and conditions set forth herein. The license hereby granted shall be exclusive; save and except that DBP reserves the right to use the Marks for its own account in accordance with Paragraph 7 hereof. DBR hereby accepts such license and agrees to be bound by and subject to the terms and conditions hereof. DBP and DBR shall from time to time reach agreement upon or modify the amount of royalty fees to be paid by DBR to DBP for the license granted hereunder; provided, that the amount of such royalty shall never exceed a commercially reasonable amount in accordance with standard industry practices.

2. In order to protect the goodwill associated with the Marks, and in order to prevent any deception to the public, DBR shall insure that all services provided under the Marks shall conform to such standards and specifications as to quality as may be prescribed by DBP and approved by DBR from time to time. DBP and DBR agree that the use of the Marks shall be limited to the promotion and operation of Dickey's restaurants by DBR or its licensees, the promotion, marketing, and selling of Dickey's franchises by DBR or its sublicensees, and any other use necessary or incident thereto. Any other use of the Marks shall require the prior written consent of DBP, which consent shall not be unreasonably withheld.

3. DBP specifically authorizes DBR to sublicense the Marks to third parties which own and operate "Dickey's" restaurants pursuant to franchise agreements entered into with DBR. DBR agrees that it shall diligently monitor its sublicensees' use of the Marks in order to insure that all service provided under said Marks conforms to such standards and specifications as to quality which may be prescribed by DBP and approved by DBR. DBP specifically acknowledges that the restrictions on the use of the Marks set forth in DBR's franchising program and franchise agreements comply with DBP's standards and specifications.

DBR agrees to notify DBP in writing of any unauthorized use of the Marks by any third parties other than franchisees in good standing under their franchise agreements.

4. DBR acknowledges that DBP is the sole owner of the Marks and that all goodwill arising from the use of said Marks by DBR shall inure to the benefit of DBP. DBP shall have the right to inspect and observe the uses made by DBR or its sublicensees of the Marks, and DBR agrees to supply DBP upon request, specimens of its use of the Marks.

5. DBP will maintain in good standing and police the Marks against any infringing use. At the request of DBR, DBP will file suit or take appropriate legal action against infringing third parties and/or defend the Marks against conflicting claims asserted by third parties. DBP shall give DBR prompt written notice of any third party claim asserted or of any infringing use by any third party with respect to the Marks, shall consult with DBR with respect to policing or defending the Marks, and shall allow DBR to participate in and become a party to any litigation or proceeding relating to the Marks.

6. DBP represents and warrants to DBR that it will diligently maintain the federally registered service marks for Dickey's.

7. DBP warrants and represents to DBR that its use of the Marks will be limited to the geographical areas outside the assigned territory of any licensee of DBR under a validly existing franchise agreement not in default. DBP agrees that it shall not utilize the Marks nor further license the use of the Marks in connection with any Restaurant within the assigned territory of any licensee of DBR under a validly existing franchise agreement not in default.

8. A party shall be in default hereunder if it breaches any covenant or agreement set forth herein or if it files or has filed against it a bankruptcy proceeding, if a final non-appealable judgment in excess of \$10,000 is taken against such party without being satisfied within thirty (30) days, if such party generally fails to pay its debts as they become due, or if such party is legally dissolved.

9. Any party alleging a default thereunder shall give the defaulting party written notice detailing with specificity the nature of the default and affording the defaulting party a thirty (30) day period in which to cure such default. In the event the defaulting party fails to cure such default within such thirty (30) day period, the defaulting party shall have the right to terminate this License Agreement by written notice to the nondefaulting party and/or pursue such relief or remedies as may be available at law or in equity. Upon termination of this License Agreement, the rights of DBR or its licensees to use the Marks shall be modified as follows: (i) DBR shall no longer be entitled to utilize or license to new franchisees the right to use the Marks, (ii) DBP shall be entitled to use and license to third parties the right to use the Marks, (iii) DBR shall, at DBP's request, assign to DBP DBR's right, title and interest in and to all franchise agreements with franchisees; and (iv) any then existing franchisee of DBR to whom the right to utilize the Marks has been licensed may continue to utilize the Marks until the expiration of the term of its franchise agreement and any renewal or option periods available or afforded to such franchisee at law or by agreement.

10. Any notice required or permitted to be given hereunder shall be delivered by United States Mail via certified mail, return receipt requested, addressed to the appropriate party at the address for such party set forth hereinabove, and shall be deemed received five (5) days following deposit in a regularly maintained receptacle for the United States mail, postage prepaid, and delivered as aforesaid. Either party may change their address by notice hereunder.

11. This License Agreement, and the rights and obligations of the parties hereunder, shall continue for an indefinite term unless and until the parties otherwise agree in writing.

12. Except for DBR's right to license the Marks to franchisees, neither party shall have the right to assign or transfer its rights, duties, privileges and obligations hereunder without the prior consent of the other party.

13. Each party hereby represents and warrants to the other that the parties executing this License Agreement on their behalf are duly authorized to enter into this License Agreement and that, upon full execution, this License Agreement will constitute the legal and binding agreement of the parties, enforceable in accordance with its terms.

14. This License Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of Texas and shall be performable in Dallas County, Texas.

15. Subject to the restrictions against assignment and transfer as set forth herein, this License Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.

16. This License Agreement may be modified only by mutual agreement in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the day and year first above set forth.

DICKEY'S BARBECUE PIT, INC.,
a Texas corporation

By: _____ //s//

T.D. Dickey, Jr.

DICKEY'S BARBECUE RESTAURANTS, INC.,
a Texas corporation

By: _____ //s//

Roland Dickey, President _____

EXHIBIT "A"
to Trademark License Agreement

SERVICE MARK

<u>Description</u>	<u>Federal Registration No.</u>	<u>Date of Registration</u>
Dickey's Barbecue, Pit, a Texas Tradition since 1941	1,980,0728	June 11, 1996
Dickey's Barbecue, since 1941 (with encircling oval)	2,878,761	August 31, 2004

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DIRECTORY OF AGENCIES

Listed below are names, addresses and telephone numbers of state and federal agency personnel having responsibility for franchising disclosure/registration laws and selected business opportunity laws. Entries for the Federal Trade Commission appear at the end of the list.

California
Department of Corporations:
Los Angeles
320 West 4th Street
Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
Sacramento
1515 K. Street
Suite 200
Sacramento, California 95814-4052
San Diego
1350 Front Street
Room 2034
San Diego, California 92101-3697
(619) 525-4233
San Francisco
71 Stevenson Street
Suite 2100
San Francisco, California 94105-2180
(415) 972-8559
~~Commissioner of Corporations~~
William-P. Wood

Connecticut
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8233
Chief Administrative Attorney
Director, Securities and Business Investment Division
Banking Commissioner

Florida
Department of Agriculture and
Consumer Service
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
General Inquiries
(850) 488-2221
FAX: (850) 410-3804

Maryland
Office of the Attorney General
Securities Division
200 SL Paul Place, 20th Floor
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Attorney General
Franchise Registration
525 West Ottawa Street
Lansing, Michigan 46909
(517) 373-7117

Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, Hawaii 96810
(808) 586-2744

Illinois
Office of Attorney General
Room 12-178
100 W. Randolph Street
Chicago, Illinois 60601
(312) 814-3892
Registration & Materials inquiries:
500 S. Second St.
Springfield, Illinois 62706
(217) 782-4465
FAX: (217) 782-4465

Indiana
Indiana Secretary of State
Securities Division - Franchise Section
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Iowa
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
(515) 281-4441
FAX: (515) 281-3059

Oregon
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140
FAX: (503) 947-7862

Rhode Island
Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903
(401) 222-3048

South Dakota
South Dakota Dept. of Revenue and Regulation
Division of Securities
445 E. Capitol Ave
Pierre, South Dakota 57501
(605) 773-4823
FAX: (605) 773-5953

Minnesota
Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-6328

Nebraska
Department of Banking and Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
(402) 471-3445

New York
New York State Department of Law
Franchise Section
23rd Floor
120 Broadway
New York, New York 10271
(212) 416-8211
FAX: (212) 416-8816

North Dakota
Department of Securities
600 East Boulevard
Bismarck, North Dakota 58505-0510
(701) 328-4712

Washington
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

Wisconsin
Department of Financial Institutions
Division of Securities
345 W. Washington Avenue, 4th Floor
Madison, Wisconsin 53701
(608) 266-2801

Texas
Secretary of State
Statutory Document Section
P.O. Box 12887
Austin, Texas 78711
Street Address:
1719 Brazos
Austin, Texas 78701
(512) 475-1769

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
(801) 530-6601
FAX: (801) 530-6001

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 E. Main Street
Richmond, Virginia 23219
(804) 371-9051

Federal Trade Commission
Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, D.C. 20580
(202) 326-3128

EXHIBIT G

RECEIPTS

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF DICKEY'S OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN (14) CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE (OR EARLIER PURSUANT TO APPLICABLE STATE LAW).

IF DICKEY'S DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND ANY APPLICABLE STATE AGENCIES AT THE ADDRESSES NOTED ON EXHIBIT F.

The name, principal business address, and telephone number of each applicable franchise seller offering the franchise is: _____.

Dickey's authorized agent to receive service of process in the State of Minnesota is Minnesota Commissioner of Commerce, 85 7th Place East, Suite 500, SL Paul, MN 55101, with a copy to Roland Dickey, Jr., 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205.

The issuance date of the Disclosure Document is: _____, 20__.

I received the Disclosure Document dated _____, 20__ that included the following Exhibits:

1. Financial Statements
2. Franchise Agreement
3. Development Agreement (included only if you are considering more than one (1) Restaurant)
4. Trademark License Agreement
5. Operations Manual Table of Contents
6. Directory of Agencies
7. Receipts

Signed: _____

Print Name: _____

Title: _____

Address: _____

Telephone No.: _____

Dated: _____

Individually or as an Officer of: _____

You must return a fully completed and signed copy of this Receipt to:

Dickey's Barbecue Restaurants, Inc.
4514 Cote Avenue, Suite 1100
Dallas, Texas 75205

Attn: Roland Dickey, Jr.

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF DICKEY'S OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN (14) CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE (OR EARLIER PURSUANT TO APPLICABLE STATE LAW).

IF DICKEY'S DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND ANY APPLICABLE STATE AGENCIES AT THE ADDRESSES NOTED ON EXHIBIT F.

The name, principal business address, and telephone number of each applicable franchise seller offering the franchise is: _____.

Dickey's authorized agent to receive service of process in the State of Minnesota is Minnesota Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101, with a copy to Roland Dickey, Jr., 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205.

The issuance date of the Disclosure Document is: _____, 20____.

I received the Disclosure Document dated _____, 20____ that included the following Exhibits:

8. Financial Statements
9. Franchise Agreement
10. Development Agreement (included only if you are considering more than one (1) Restaurant)
11. Trademark License Agreement
12. Operations Manual Table of Contents
13. Directory of Agencies
14. Receipts

Signed: _____

Print Name: _____

Title: _____

Address: _____

Telephone No.: _____

Dated: _____

Individually or as an Officer of: _____

You must return a fully completed and signed copy of this Receipt to:

Dickey's Barbecue Restaurants, Inc.
4514 Cole Avenue, Suite 1100
Dallas, Texas 75205

Attn: Roland Dickey, Jr.

Document comparison done by Workshare DeltaView on Thursday, September 24, 2009 6:55:00 PM

Input:

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Insertions	1357
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Format changed	0
Total changes	2383

2008-2009-2010 FRANCHISE AGREEMENT
STATE OF MINNESOTA: RENEWAL – 2008: Version 2
FINAL: 09-02-08
Final: 09-04-2009

DICKEY'S BARBECUE RESTAURANTS, INC.
FRANCHISE AGREEMENT



**DICKEY'S BARBECUE RESTAURANTS, INC.
FRANCHISE AGREEMENT**

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**DICKEY'S BARBECUE RESTAURANTS, INC.
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the "Agreement") Is made and entered into and effective on the Effective Date (herein so called) stated below, by and between DICKY'S BARBECUE RESTAURANTS, INC., a Texas corporation, hereinafter referred to as "FRANCHISOR" or "DICKEYS", and the person identified below in the Franchise Summary as the Owner/Operator, hereinafter referred to as the "OWNER/OPERATOR" or "YOU". The purpose of this Agreement is to set forth the terms and conditions of the business relationship between FRANCHISOR and the OWNER/OPERATOR.

OWNER/OPERATOR SUMMARY

EFFECTIVE DATE (Date Executed by Dickey's): _____

TERM: Twenty (20) Years from Effective Date

REQUIRED OPENING DATE: One (1) Year from Effective Date

OWNER/OPERATOR: _____

BUSINESS ENTITY: _____ corporation/ _____ partnership/ _____ individual/ _____ limited liability company,
formed under the laws of: _____

OWNER/OPERATOR'S ADDRESS: _____

OWNER/OPERATOR'S TELEPHONE: _____

OWNER/OPERATOR'S FACSIMILE: _____

OWNER/OPERATOR'S E-MAIL ADDRESS: _____

ATTORNEY OR ADVISOR: _____

ATTORNEY'S OR ADVISOR'S ADDRESS: _____

FRANCHISE FEE: \$30,000.00	ROYALTY: 5%	MARKETING FUND: 4%	
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WITNESSETH:

WHEREAS, Dickey's has acquired the right to develop and as a result of the expenditure of time, skill, effort and money has developed, a unique and distinctive system relating to the establishment and operation of counter-style restaurants under the name and mark "Dickey's Barbecue Pit" (each a "Restaurant") featuring the sale of freshly-prepared barbecued meats and other food products (the "System");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme and furnishings; special recipes and menu items, uniform standards, specifications and procedures for operations, quality and uniformity of products and services, inventory and management control, training and assistance and advertising and promotional programs; all of which may be changed, improved and further developed by Dickey's from time to time;

WHEREAS, Dickey's has determined to continue development of the System through the granting of franchises using certain trade names, service marks, trademarks, symbols, logos, name and emblems, and indicia of origin, including but not limited to the mark "Dickey's Barbecue Pit" and such other trade names, service marks and trademarks as Dickey's may develop in the future to identify for the public the source of services and products marketed under these marks and under the System and representing the System's high standards of quality, appearance, and service (collectively, the "Proprietary Marks");

WHEREAS, you acknowledge the importance of Dickey's high standards of quality, cleanliness, appearance and customer service and the necessity of operating the business franchised hereunder in conformity with Dickey's standards and specifications; and

WHEREAS, you desire to use the System in connection with the operation of a Restaurant under the name "Dickey's Barbecue Pit" at the location specified hereunder as well as to receive and apply the training and other assistance provided by Dickey's in connection therewith;

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1. FRANCHISE

1.1 GRANT. Dickey's hereby grants to you, upon the terms and conditions in this Agreement, the right and franchise, and you undertake the obligation, to develop and operate a "Dickey's Barbecue Pit" Restaurant (your "Restaurant" or "franchised business") and to use, solely in connection with your operation of the Restaurant, the Proprietary Marks and the System, as such may be changed, improved and further developed by Dickey's from time to time, only at the Accepted Location (as defined in Article 1.2) within the Assigned Area (as defined in Article 1.3).

1.2 ACCEPTED LOCATION. The "Accepted Location" shall be the leased site for your Restaurant in the Assigned Area accepted by Dickey's pursuant to Article 7.4. You shall not relocate the franchised business without the prior written consent of Dickey's. This Agreement does not grant you the right or franchise to operate the Restaurant or to offer or sell any products or services described under this Agreement at or from any other location.

1.3 ASSIGNED AREA. The "Assigned Area" is described as follows:

Prior to your designation and Dickey's acceptance of your proposed location, Dickey's may grant to others franchises to open and operate Restaurants within the Assigned Area, so long as the Assigned Area is large enough for you to locate, establish and operate a Restaurant within such Assigned Area. At such time as you locate and Dickey's accepts the proposed location within the Assigned Area, the Assigned Area shall automatically and without requirement of further action be reduced to an area within a one (1)-mile radius of the Accepted Location. Upon Dickey's request, the Accepted Location shall be confirmed in writing, in such form and substance acceptable to Dickey's, which describes the location of the Accepted Location and is executed by you and Dickey's. Notwithstanding, Dickey's, and any Dickey's owner/operator and any other authorized person or entity may, at any time, advertise and promote the System, or fulfill customer orders (including but not limited to catering and delivery services) in the Assigned Area, and Dickey's may offer and sell (and authorize others to offer and sell) products and services which may be similar to those offered by the Restaurant, under the proprietary marks, in the Assigned Area, if offered and sold other than through a Restaurant (e.g., product and catalog sales through direct mailings or Internet sales, pre-packaged food items through grocery stores or supermarkets, Internet sales, or memorabilia or recipes through other retail outlets). Except for the foregoing, during the term of this Agreement, Dickey's will not establish and operate or license or authorize any other party to establish or operate a Dickey's Barbecue Restaurant within the Assigned Area.

ARTICLE 2. TERM AND RENEWAL

2.1 **INITIAL TERM.** Except as otherwise provided herein, the initial term of this Agreement shall expire twenty (20) years from the Effective Date of this Agreement.

2.2 **RENEWAL.** You may, at your option, renew the franchise granted hereunder for an additional term of ten (10) years, such term to begin upon the expiration of the initial term, subject to the following conditions, all of which (as determined by Dickey's) must be satisfied no later than two hundred and forty (240) days prior to the end of the initial term and continue to be satisfied as of the expiration of the initial term:

1. You shall give Dickey's written notice of your election to renew not less than two hundred and seventy (270) days nor more than twelve (12) months prior to the end of the initial term;

2. You shall repair or replace, at your cost and expense, equipment, (including computer hardware and software), signs, menu boards (interior and drive-through, as applicable), interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of your Restaurant as Dickey's may reasonably require and you shall obtain, at your cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which may be reasonably required by Dickey's for you to offer and sell new menu items from your Restaurant or to provide your Restaurant's services by alternative means such as drive-through, carry-out or delivery arrangements and shall otherwise modernize your Restaurant premises (including, without limitation, the modernization of your Restaurant to conform to Dickey's then-current Restaurant specifications and requirements), equipment, (including computer hardware and software), signs, menu boards (interior and drive-through, as applicable), interior and exterior decor items, fixtures, furnishings, supplies, and other products and materials required for the operation of your Restaurant, as reasonably required by Dickey's to reflect the then-current standards and image of the System as contained in the **Manuals** (as defined in Article 3.9) or otherwise provided in writing by Dickey's; provided, that you shall not be required to modernize your Restaurant more frequently than once every five (5) years, that Dickey's shall provide you with a reasonable time period within which to effect such repairs, replacements or acquisitions, and that the total cost of such repairs, replacements or acquisitions during any five (5) year period shall not exceed \$40,000.00;

3. You shall not be in default of any provision of this Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates; and you shall have substantially and timely complied with all the terms and conditions of this Agreement and such other agreements during their terms;

4. You shall have satisfied all monetary obligations owed by you to Dickey's and its subsidiaries and affiliates under this Agreement and any other agreement between you and Dickey's or its subsidiaries or affiliates and shall have timely met those obligations throughout the term thereof;

5. You shall present evidence satisfactory to Dickey's that you have the right to remain in possession of the Accepted Location for the duration of the renewal term of this Agreement;

6. You shall execute Dickey's then-current form of franchise agreement for the renewal term, which agreement shall supersede this Agreement and any prior franchise agreement relating to your Restaurant in all respects, and the terms of which may differ from the terms of this Agreement and may include, without limitation, a higher royalty fee, Marketing Fund (as defined in Article 3.6) contribution, or minimum advertising expenditure requirement;

7. You shall pay Dickey's a franchise renewal fee of \$10,000.00;

8. To the extent not prohibited by applicable law, you shall execute a general release, in a form prescribed by Dickey's, of any and all claims you may have, of whatever nature or kind, against Dickey's and its subsidiaries and affiliates and their respective officers, directors, shareholders, partners, employees, servants, representatives, independent contractors and agents, in their corporate and individual capacities, including without limitation, claims arising under this Agreement and any other agreement between you and Dickey's or its subsidiaries or affiliates and under any federal, state and local laws, rules and ordinances; and

9. You shall comply with Dickey's then-current qualification and training requirements.

If any of the above requirements are not satisfied pursuant this Article 2.2, to the extent required by Minn. Stat. 80C.14, Subd. 4, Dickey's shall provide you with a written notice of its intention not to renew at least one hundred eighty (180) days in advance of the expiration of the Agreement should you fail to (i) correct any reasons for termination upon having received written notice setting forth all reasons for the termination at least ninety (90) days in advance of termination and (ii) you shall have failed to correct the reasons stated for termination in the notice within sixty (60) days of receipt of such notice (except that the notice is effective immediately upon receipt for the grounds for termination set forth in Article 16.2).

ARTICLE 3 DICKEY'S DUTIES.

Dickey's shall provide the following services and assistance to you:

3.1 **SITE SELECTION.** Dickey's shall provide the following site selection assistance:

1. Dickey's shall furnish you written site selection guidelines and such site selection counseling and assistance as Dickey's may deem advisable; and

2. Dickey's shall provide such on-site evaluation as Dickey's may deem necessary on its own initiative or in response to your reasonable request for site acceptance; provided, however, that Dickey's shall not provide on-site evaluation for any proposed site prior to the receipt of all required information and materials concerning such site prepared pursuant to Article 7. Dickey's will provide up to three (3) on-site evaluations for your Restaurant (or for your first Restaurant under a Development

Agreement between you and Dickey's). Thereafter, if additional on-site evaluations are deemed appropriate by Dickey's or as requested by you, you shall pay a reasonable fee for each such evaluation and shall reimburse Dickey's for all reasonable expenses incurred by Dickey's in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging, meals, and wages.

3.2 DESIGN PLANS. Dickey's shall maintain a list of approved architects to which Dickey's has provided a set of prototypical design plans for a Dickey's Barbecue Restaurant. You shall, independently and at your expense, have such design plans and specifications adapted for the finish-out or renovation of your Restaurant by a Dickey's-approved architect of your choice in accordance with Article 7.7. You may not engage any architect in connection with your Restaurant not listed on Dickey's then-current list of approved architects.

3.3 TRAINING. Dickey's shall provide an initial training program for certain of your personnel in accordance with Article 9 and shall make available such other training programs and seminars as it deems appropriate. All training provided by Dickey's shall be in accordance with Article 9.

3.4 INITIAL PURCHASE. Dickey's shall provide you assistance and advice concerning equipment and opening inventory selection and purchasing in connection with the opening of your Restaurant.

3.5 OPENING AND OPERATING ASSISTANCE. Dickey's shall provide you such on-site opening supervision and assistance and thereafter such additional advisory assistance in the operation of the franchised business during the term of this Agreement as set forth in Article 9.4.

3.6 MARKETING FUND. Dickey's has established a system-wide marketing fund (the "Marketing Fund") promoting the System in accordance with Article 5.8. Dickey's may modify or terminate the Marketing Fund at any time in accordance with Article 5.8 and provide for the advertisement and promotion of your Restaurant and the System by such other methods as set forth in Article 5.

3.7 ADVERTISING AND PROMOTIONAL MATERIALS. Dickey's may, from time to time, make available to you at a reasonable cost certain advertising and promotional materials and information developed by Dickey's for your use in marketing and conducting local advertising for your Restaurant. Dickey's shall have the right to review and approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Article 5.

3.8 OPERATING MANUALS AND SOFTWARE. Dickey's shall provide to you, on loan, and at the cost established by Dickey's or its vendors, one (1) set of the franchise manual (the "Franchise Manual") and such other manuals, written materials (collectively, as the same may be revised by Dickey's from time to time, the "Manuals") and software programs as Dickey's may, from time to time, develop for use in the franchised business, as more fully described in Articles 8 and 11. Alternatively, Dickey's may, as Dickey's deems appropriate, make the Franchise Manual and such other Manuals available to you through an established on-line website. You will be required to utilize computer hardware and software pursuant to Article 8.13. Dickey's or Dickey's approved vendor or supplier shall also make available to you, from time to time, any upgrades, enhancements or replacements to the software that are developed by or on behalf of Dickey's, at such cost as Dickey's makes such upgrades, enhancements, and replacements available to other owner/operators operating under the System.

3.9 TRAINING MATERIALS. Dickey's may create, from time to time, training films and other instructional video and audio materials. Upon request, Dickey's shall make available to you, from time to time, on loan, these materials at such cost as Dickey's makes such materials available to other owner/operators operating under the System.

3.10 ONGOING SEMINARS, ETC. Dickey's shall, from time to time, in its discretion, conduct meetings, organize and conduct seminars and other related activities regarding the System for

owner/operators generally. Dickey's may require your attendance at such events. Except as approved by Dickey's, any costs incurred by you or your Restaurant personnel in attending such events shall be your responsibility. Any video or audio tapes relating to such meetings and seminars will be made available to you, on loan, at such cost as Dickey's makes such materials available to other owner/operators operating under the System.

3.11 ONGOING INSTRUCTIONAL MATERIALS. Dickey's shall provide to you, from time to time as Dickey's deems appropriate, advice and written materials concerning techniques of managing and operating your Restaurant, including new developments and improvements in restaurant equipment, food products, packaging, and preparation. Except as set forth herein, you are responsible for the training of your employees in accordance with Dickey's standards.

3.12 ONGOING OPERATING ASSISTANCE. Subject to the availability of appropriate personnel of Dickey's, Dickey's shall provide you ongoing operational assistance from time to time as Dickey's deems necessary.

3.13 LIST OF APPROVED SUPPLIERS AND PREFERRED VENDORS. Dickey's shall provide you, following execution of this Agreement and thereafter from time to time as Dickey's deems appropriate during the term of this Agreement, with a list of Dickey's approved suppliers and preferred vendors as described in Article 8.11.

3.14 PROPRIETARY PRODUCT SALES. Dickey's may make available at a reasonable cost and, at its option, may require you to purchase from Dickey's or an affiliate for resale to your customers, certain packaged food products such as barbecue sauce, gift cards available for redemption at any Dickey's Restaurant, and certain promotional merchandise identifying the System (such as gift cards, T-shirts, sweatshirts, and caps), in amounts sufficient to meet your customer demand.

3.15 MAINTENANCE OF STANDARDS. Dickey's shall seek to maintain the high standards of quality, appearance, and service of the System, and accordingly shall conduct, as it deems advisable, inspections of your Restaurant and evaluations of the products sold and services rendered therein, as more fully described in Article 8.10.

ARTICLE 4. FRANCHISE AND ROYALTY FEES

4.1 FRANCHISE FEE. You shall pay Dickey's an initial franchise fee ("Franchise Fee") in an amount equal to Thirty Thousand Dollars (\$30,000.00) upon the execution of this Agreement. Such initial Franchise Fee shall be nonrefundable. If the parties have entered into a Development Agreement, the initial Franchise Fee will be payable according to its terms.

4.2. ROYALTY FEES. You shall pay a continuing nonrefundable royalty fee throughout the term of this Agreement, equal to five percent (5%) of the Net Sales (as defined in Article 4.6) of your Restaurant, which shall be due and payable and shall be electronically drafted on your designated bank account on or before the Wednesday following the calendar week to which such payments relate. If the date on which such payments would otherwise be due is not a business day, then payment shall be due and drafted upon on the next business day. You shall not be entitled to withhold any payments due to Dickey's on grounds of alleged non-performance by Dickey's under this Agreement. The calendar month or calendar week, as applicable, for which royalty fees are due is sometime referred to as the "Sales Period".

4.3 SALES REPORT. You shall, during the term of this Agreement on or before the eighth (8th) day of each calendar month, submit to Dickey's a statement (the "Monthly Sales Report"), signed by you, setting forth (i) your Restaurant's Net Sales for each monthly Sales Period, (ii) the amount of the royalty fee due for the monthly Sales Period and (iii) the Marketing Fund contribution due for the monthly Sales

Period.

4.4 ACH TRANSFERS. All payment of royalty fees, Marketing Fund contributions and any other sums owed to Dickey's hereunder shall be made by ACH electronic transfer drawn upon your account at your bank. Such payments shall be determined based upon information retrieved by Dickey's from the Point of Sale System (as defined in Article 8.13) regarding the applicable weekly Sales Period. You agree to accept Dickey's calculation of the royalty fees and Marketing Fund contributions due hereunder absent manifest mathematical error. You shall execute and deliver to Dickey's the ACH authorization in the form attached as Attachment A hereto (or such other form as may be required by Dickey's or its bank). You further covenant to maintain your account identified in the ACH transfer authorization throughout the term of this Agreement and to maintain within such account such funds as are necessary to process the payment and transfer of royalty fees or Marketing Fund contributions from time to time. Payment of royalty fees or Marketing Fund contributions to Dickey's by check or in any other manner may be made only upon the express written consent of Dickey's.

4.5 LATE PAYMENTS. If any payment or fee due under this Agreement is not paid by you when the payment or fee is due, you shall pay Dickey's, in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of fifteen percent (15%) per annum, or the maximum rate permitted by law, whichever is less. In addition, you shall reimburse Dickey's for any out-of-pocket expenses incurred by Dickey's in connection with any such late payment or the collection of any such late payment. If any payment or fee due under this agreement is returned NSF, you shall pay to Dickey's an additional amount of Thirty-Five Dollars (\$35.00) for each NSF occurrence. Any failure to comply with this Article 4.5 shall be an event of default under Article 16. Dickey's entitlement to such interest shall be in addition to any other remedies Dickey's may have in law or in equity, arising under this Agreement or otherwise.

4.6 NET SALES. As used in this Agreement, "Net Sales" shall include all revenue from the sale of services and products by in-store dining, carry-out, delivery, catering, and otherwise, including, but not limited to, the sale of food and beverages, the redemption of gift cards, and the sale of merchandise, (e.g., prepackaged barbecue sauce or other food products, and any T-shirts, sweatshirts, etc.) and all other income of whatever nature or kind relating to the franchised business, whether for cash or credit and regardless of collection in the case of credit; provided that Net Sales shall not include any sales tax or other taxes collected from your customers and paid to the appropriate taxing authority, employee meals and the discounts offered for meals purchased with promotional coupons approved by Dickey's, and any accounts receivable representing Net Sales for which you have previously paid royalty fees but which subsequently you have deemed uncollectible. Dickey's may, from time to time, in writing, permit certain other items to be excluded from Net Sales. Any such permission may be revoked or withdrawn at any time in writing by Dickey's in its discretion.

ARTICLE 5. ADVERTISING AND RELATED FEES

5.1 PARTICIPATION. You shall participate actively in and comply with all advertising, marketing, and sales promotion programs in complete accordance with the terms and conditions established by Dickey's for each program, subject to restrictions imposed by applicable law. In all aspects of these programs, including without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, to the extent permitted by law, Dickey's procedures, standards and specifications shall be final and binding upon you.

5.2 GRAND OPENING. You shall carry out a grand opening promotion relating to the opening of your Restaurant in accordance with the Manuals or as otherwise required by Dickey's, to extend from the period beginning prior to the opening of your Restaurant through the first six (6) months of operation. Any advertising and promotional campaigns used by you in connection with such grand opening must be approved by Dickey's prior to use. You shall comply with the direct and local advertising and promotional

campaign for grand openings devised by Dickey's and adapted for your Assigned Area, and you commit to spend a minimum of ~~Twenty-Six~~Ten Thousand Dollars (~~\$26,000.00~~10,000.00) in connection with such grand opening promotion, and the following six (6) months of direct and local advertising and promotion. Not later than sixty (60) days prior to your scheduled Restaurant opening, you shall pay to Dickey's ~~Twenty-Six~~Ten Thousand Dollars (~~\$26,000.00~~10,000.00) to be spent by Dickey's on your behalf. A full accounting of the ~~Twenty-Six~~Ten Thousand Dollar (~~\$26,000.00~~10,000.00) expenditure will be provided. Any such amount paid by you for the grand opening promotion shall not be credited toward any other obligation of yours as described in this Agreement.

5.3 LOCAL MARKETING. You shall build Dickey's brand awareness in your Assigned Area through direct local marketing and promotion of your Restaurant. Upon Dickey's request, you shall furnish to Dickey's, on a monthly basis, supporting documentation evidencing your efforts. Examples of local marketing include, but are not limited to, promotion through word of mouth, in-store sampling, and the offering of free dinner cards. You may expend such sums on local marketing as you deem appropriate. Any advertising and promotional materials must be approved by Dickey's prior to use.

5.4 GIFT CARDS. Dickey's has established and administers a promotional gift card acceptance program. You will be required to purchase and carry a minimum carrying inventory of gift cards from Dickey's pursuant to such program. You shall honor any such gift card presented at your Restaurant for the purchase of food and beverage items.

5.5 WEBSITE INTERNET PROMOTIONS. In order to avoid causing public confusion, you are prohibited from establishing and operating a URL website relating to your Restaurant. Dickey's has established and intends (but is not obligated) to maintain a website under the domain name "Dickeys.com" (the "Dickey's Website"). You authorize Dickey's to identify and promote your Restaurant on Dickey's Website.

5.6 PRICING; PARTICIPATION IN PROMOTIONS. You shall have the right to sell your food products and merchandise and offer services at any prices you may determine, subject to Dickey's guidance as set forth in the Manuals or otherwise in writing. Subject to applicable legal constraints, you shall participate in and comply with all sales and promotional programs featuring "value deals", kids meal programs, and meal or food item promotions promulgated by Dickey's from time to time.

5.7 GENERAL STANDARDS. All advertising and promotion by you in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of Dickey's as set forth in the Manuals or otherwise in writing. You shall obtain Dickey's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by Dickey's or previously approved by Dickey's during the six (6) months prior to their proposed use. You shall submit such unapproved plans and materials to Dickey's and Dickey's shall approve or disapprove such plans and materials within fifteen (15) days of Dickey's receipt thereof. You shall not use such unapproved plans or materials until they have been approved by Dickey's, and upon notice from Dickey's, you shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved.

5.8 MARKETING FUND. Dickey's has established a Marketing Fund for the purpose of promoting the System. The Marketing Fund may be operated by an affiliate of Dickey's. You agree to contribute to the Marketing Fund four percent (4%) of your Net Sales of your Restaurant as determined by Dickey's. Such fee shall be paid weekly in the manner set forth in Article 4.

You agree that the Marketing Fund shall be maintained and administered by Dickey's or its designee as follows:

1. Dickey's or its designee shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Marketing Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks and enhance the collective success of all Restaurants operating under the System. Dickey's or Dickey's Barbecue Pit, Inc. (an affiliate of Dickey's) shall, with respect to Dickey's Barbecue Pit Restaurants operated by such affiliate ("Company-Operated Restaurants"), contribute to the Marketing Fund on a monthly basis based on a percentage of monthly sales with respect to such Company-Operated Restaurants. In administering the Marketing Fund, Dickey's and its designee undertake no obligation to make expenditures for you which are equivalent or proportionate to your contributions or to ensure that any particular owner/operator benefits directly or pro rata from the placement of advertising.

2. You agree that the Marketing Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, internet/web-based, magazine and newspaper advertising campaigns, direct mail and outdoor billboard advertising, public relations activities, employing advertising agencies to assist therein, costs of Dickey's personnel and other departmental costs for advertising that is internally administered or prepared by Dickey's, costs of providing other advertising materials to Restaurants operated under the System, and the costs of maintaining Dickey's Website, and the costs of a national "1-800" customer and/or owner/operator service telephone number if such service is implemented by Dickey's). All sums paid by you to the Marketing Fund shall be maintained in a separate account by Dickey's or its designee and shall not be used to defray any of Dickey's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Dickey's may incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs for owner/operators and the System. The Marketing Fund and its earnings shall not otherwise inure to the benefit of Dickey's. The Marketing Fund is operated solely as a conduit for collecting and expending the marketing and advertising fees as outlined above.

3. A statement of the operations of the Marketing Fund shall be prepared annually by Dickey's and shall be made available to you upon request.

4. Although the Marketing Fund is intended to be of perpetual duration, Dickey's may terminate the Marketing Fund at any time. The Marketing Fund shall not be terminated, however, until all monies in the Marketing Fund have been expended for advertising or promotional purposes or returned to contributing franchised or Company-Operated Restaurants, without interest, on the basis of their respective contributions.

6.85.9 ADVERTISING CO-OPS. Dickey's may, in its sole discretion, require you to participate in certain local or regional advertising cooperatives organized and approved by Dickey's, and composed of certain other owner/operators located in the geographic area in which you are located as defined in a cooperative advertising agreement. If you are required to participate in a Dickey's-approved advertising cooperative, you will be required to execute Dickey's then-current standard advertising cooperative agreement. Dickey's may terminate any advertising cooperative pursuant to the terms of each particular cooperative advertising agreement. Dickey's reserves the right to require advertising cooperatives to be formed, changed, dissolved or merged.

ARTICLE 6. YOUR ORGANIZATION

6.1 CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY. If you are a corporation, a partnership or a limited liability company, you will provide Dickey's with all documentation required by Dickey's to represent that:

1. You are duly organized and validly existing under the state law of your formation;
2. You are duly qualified to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;
3. Your corporate or limited liability company charter or written partnership agreement shall at all times provide that your activities are limited to the development and operation of Dickey's Barbecue Pit Restaurants;
4. The execution of this Agreement and the performance of the transactions contemplated hereby are within your corporate power if you are a corporation or a limited liability company, or if you are a partnership, are permitted under your written partnership agreement and have been duly authorized by your constituent partners;
5. If you are a corporation, limited liability company or partnership, your ownership interests are accurately and completely described in Article 22. Further, upon Dickey's request from time to time, if you are a corporation or limited liability company, you shall furnish to Dickey's a current list of all owners or members of record and all beneficial owners of any class of voting securities in the corporation or limited liability company or, if you are a partnership, you shall furnish to Dickey's a current list of all owners of an interest in the partnership;
6. If there should be a change in any of your shareholders, officers, directors, members, managers, partners, or any owner of at least twenty percent (20%) of your stock or equity or beneficial interest, you shall notify Dickey's in writing within five (5) days thereafter, and you shall cause each new officer, director, manager, shareholder, member, partner or owner of at least twenty percent (20%) of your stock or equity or beneficial interest to execute this Agreement as one of your Principals (as defined in Article 26.3.3) and be individually bound by all of your obligations hereunder;
7. If you are a corporation, you shall maintain on your records stock-transfer instructions against the transfer of any of your equity securities and each stock certificate of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Dickey's that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Article 6.1.7) shall not apply to the transfer of equity securities of a Publicly-Held Corporation (as defined in Article 15.2). If you are a limited liability company or a partnership, your written regulations, operating agreement or partnership agreement shall provide that ownership of an interest in the partnership is held subject to all restrictions imposed upon assignments by this Agreement;
8. You and, at Dickey's request, each of your Principals, have provided Dickey's with your most recent financial statements and the most recent financial statements of your Principals. Such financial statements present fairly your financial position and that of each of your Principals, as applicable, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above has been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements or those of your Principals.

6.2 OWNER/OPERATOR'S NAME. You will not use the name "Dickey's" or any derivative thereof in your corporate, partnership or sole proprietorship name. You will hold yourself out to the public as an independent contractor operating your Restaurant pursuant to a franchise from Dickey's, and will place a

highly visible sign to such effect at a prominent location within your Restaurant. You will file for a certificate of assumed name in the manner required by applicable state law so as to notify the public that you are operating your Restaurant as an independent business pursuant to this Agreement.

6.3 YOU AND YOUR PRINCIPALS. You and your Principals, as applicable, acknowledge and agree that the representations set forth above in this Article 6 are your continuing obligations and those of your Principals and that any failure to comply with such representations shall constitute an event of default under Article 16. You will cooperate with Dickey's in its efforts to verify compliance with such representations.

ARTICLE 7. SITE SELECTION. PLANS AND CONSTRUCTION

7.1 SITE SELECTION. You assume all cost, liability, expense, and responsibility for locating, obtaining and developing your site for your Restaurant within the Assigned Area and for finish-out or renovation and equipping your Restaurant at the Accepted Location. You shall not make any binding commitment to a prospective lessor of real estate with respect to a site for your Restaurant unless the site is accepted as set forth below. You acknowledge that Dickey's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee by Dickey's that your Restaurant operated at that site will be profitable or successful. Except as expressly provided herein, no provision of this Agreement will be construed or interpreted to impose any obligation upon Dickey's to locate a site for the Accepted Location, to assist you in the selection of a suitable site for the Accepted Location, or to provide any assistance to you in the lease of the Accepted Location.

7.2 SITE LOCATION. Prior to acquiring by lease a site for your Restaurant, you shall locate a site for your Restaurant within the Assigned Area that satisfies the site selection guidelines provided to you by Dickey's pursuant to Article 3.1 and shall submit to Dickey's in the form specified by Dickey's a description of the site, including evidence satisfactory to Dickey's that the site satisfies Dickey's site selection guidelines, together with such other information and materials as Dickey's may reasonably require, and a letter of intent or other evidence satisfactory to Dickey's which confirms your favorable prospects for obtaining the site. Recognizing that time is of the essence, you agree that you will submit such information and materials for the proposed site to Dickey's for its acceptance no later than ninety (90) days after the execution of this Agreement. Dickey's shall have thirty (30) days after receipt of this information and materials to ~~approve~~accept or ~~disapprove~~not accept, in its sole discretion, the proposed site as the location for your Restaurant. No site may be used for the location of your Restaurant unless it is first accepted in-writing-by Dickey's.

7.3 FAILURE TO ACQUIRE SITE. Your failure to acquire the site for your Restaurant within the time stated in Article 7.5 below, and in the manner required in Article 7.2 above, shall constitute an event of default under this Agreement.

7.4 ACCEPTANCE OF LOCATION. At such time as you locate and Dickey's accepts the proposed location within the Assigned Area, the Assigned Area shall automatically and without requirement of further action be reduced to an area within a one (1)-mile radius of the Accepted Location. Upon Dickey's request, the Accepted Location shall be confirmed in writing, in such form and substance acceptable to Dickey's, which describes the location of the Accepted Location and is executed by you and Dickey's.

7.5 LEASE OF RESTAURANT SITE. You shall be required to lease a site for your Restaurant constituting a space which is ready for finish-out or conversion to a Dickey's Restaurant. Within one hundred eighty (180) days after execution of this Agreement, you shall lease, at your expense, a location for your Restaurant at a site accepted by Dickey's as set forth above. Unless Dickey's has granted you an extension in writing, if you fail to acquire an accepted site within such time period, Dickey's may terminate

this Agreement effective immediately upon notice to you. In such event, Dickey's shall not be obligated to return the Franchise Fee or any other fees paid by you under this Agreement. You shall furnish to Dickey's a copy of the executed lease for your Restaurant site within ten (10) days of its execution.

7.6 ZONING AND REGULATORY APPROVALS. You shall be responsible for obtaining all zoning and regulatory approvals which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to your Restaurant premises. Prior to beginning the finish-out or renovation of your Restaurant you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of your Restaurant and (ii) certify in writing to Dickey's that the insurance coverage specified in Article 14 is in full force and effect and that all required approvals, clearances, permits, and certifications have been obtained. Upon request, you shall provide to Dickey's additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits, and certifications.

7.7 DESIGN SERVICES. You must independently obtain, at your own expense, any architectural, engineering, and design services you deem necessary for the finish-out or renovation of your Restaurant, provided that you may only engage an architectural firm listed on Dickey's then-current list of approved architects. With the assistance of a Dickey's-approved architect you shall adapt the prototypical design plans and specifications for the finish-out or renovation of your Restaurant provided to you by Dickey's in accordance with Article 3.2 as necessary and shall submit such adapted plans to Dickey's for review. If Dickey's determines, in its sole discretion, that any such plans are not consistent with the best interests of the System, Dickey's may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within fifteen (15) days of receiving such plans. If Dickey's fails to notify you of an objection to the plans within this time period, you may use such plans. If Dickey's objects to any such plans, it shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. You shall resubmit your plans with such changes, and Dickey's will notify you within fifteen (15) days of receiving the resubmitted plans whether the plans are acceptable. If Dickey's fails to notify you of any objection within such time period, you may use the resubmitted plans. Dickey's will have no responsibility to you or any other party if the Accepted Location is not finished out or renovated by you or your contractor: (A) according to Dickey's prototype architectural design plans and specifications; (B) in compliance with all applicable federal, state or local laws and ordinances; or (C) in a good and workmanlike manner.

7.8 ASSIGNMENT OF LEASE AND NOTICES UNDER LEASE. At Dickey's option, no lease for your Restaurant premises shall be accepted by Dickey's unless a rider to the lease permitting an assignment of the lease to Dickey's and providing for the delivery of all notices to Dickey's simultaneously with the delivery of such notices to you as tenant is attached to the lease and incorporated therein.

7.9 FINISH-OUT OR REMODELING. You shall diligently pursue the finish-out or remodeling (as applicable) of your Restaurant. During the time of the finish-out or remodeling, you shall provide Dickey's with such periodic reports regarding the progress of the finishing-out or remodeling as may be reasonably requested by Dickey's and you shall regularly communicate with Dickey's construction department regarding the status of the project. Dickey's may require that you engage a professional construction manager to oversee the project. In addition, Dickey's shall make such on-site inspections as it may deem reasonably necessary to evaluate such progress. You shall notify Dickey's of the scheduled date for completion of the finish-out or remodeling no later than fourteen (14) days prior to such date. Within a reasonable time after the date of completion of the finish-out or remodeling Dickey's shall, at its option, conduct an inspection of the completed Restaurant. You acknowledge and agree that you will not open your Restaurant for business without the written authorization of Dickey's, that authorization to open shall be conditioned upon your strict compliance with this Agreement and that Dickey's will not unreasonably withhold its authorization.

7.10 COMMENCE BUSINESS. You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open your Restaurant and commence business on

or before one (1) year after the Effective Date of this Agreement, unless you obtain an extension of such time period from Dickey's in writing or unless otherwise provided in a Development Agreement between you and Dickey's. Prior to opening, you shall complete all exterior and interior preparations for your Restaurant, including installation of equipment, fixtures, furniture, chairs, tables, lights, signage, kitchen equipment, the barbecue pit and signage, pursuant to the plans and specifications and from vendors approved by Dickey's, and shall comply with all other pre-opening obligations of you, including but not limited to, those obligations described in Articles 4.1, 6.1, 7, 8, 9 and 12 to Dickey's satisfaction. If you fail to comply with any of such obligations, Dickey's shall have the right to prohibit you from commencing business. Your failure to open your Restaurant and commence business in accordance with the foregoing shall be deemed an event of default under Article 16.

ARTICLE 8. RESTAURANT OPERATIONS

8.1 OPERATING PRINCIPAL. Upon execution of this Agreement, you shall designate an individual to serve as the "Operating Principal" of your Restaurant, unless Dickey's waives such requirement in writing. The Operating Principal shall satisfy the following qualifications:

1. If you are an individual, you shall perform all obligations of the Operating Principal.
2. If you are a corporation, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) directly or indirectly beneficially own at least twenty percent (20%) of the shares of each class of your issued and outstanding capital stock, and (ii) be entitled, under the corporation's governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement.
3. If you are a limited liability company, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) directly or indirectly beneficially own at least twenty percent (20%) of the membership interest, and (ii) be entitled, under the regulations and under any agreement among the members, to cast a sufficient number of votes to require such limited liability company to take or omit to take any action which such company is required to take or omit to take under this Agreement.
4. If you are a partnership, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) own at least a twenty percent (20%) interest in the partnership, and at least a twenty percent (20%) interest in the shares of each class of capital stock of any corporate general partner, and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.
5. Except as otherwise provided in this Agreement, the Operating Principal's interest in you shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

8.2 SUPERVISION AND MANAGEMENT. You shall employ, in addition to the Operating Principal, at least two (2) managers per Restaurant who are certified by Dickey's to carry out the day-to-day management and supervision of each such Restaurant. To be certified, such manager must satisfactorily complete the initial training obligations set forth in Article 9, shall meet Dickey's educational, managerial and business standards and shall be approved in writing by Dickey's. In addition, any manager must devote full time and best efforts to the daily management and supervision of your Restaurant. The Operating Principal shall execute this Agreement as one of your Principals and shall be individually, jointly, and severally bound by all obligations of you, the Operating Principal and your Principals hereunder.

8.3 POSITION QUALIFICATIONS. The Operating Principal and at least two (2) managers shall meet any other of Dickey's standards and criteria for such positions, as set forth in the Manuals or otherwise in writing by Dickey's.

8.4 TRAINING REQUIREMENTS. The Operating Principal and at least two (2) managers shall satisfy the training requirements set forth in Article 9. If during the term of this Agreement, the Operating Principal or any manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Article 8, you shall promptly notify Dickey's and designate a replacement within thirty (30) days after the Operating Principal or manager ceases to serve, such replacement being subject to the same qualifications listed above. You shall provide for interim management of your Restaurant until such replacement is so designated, and such interim management to be conducted in accordance with this Agreement.

8.5 ADDITIONAL MANAGEMENT POSITIONS. You shall retain such additional managers, chefs, and other persons as Dickey's, in its reasonable discretion, deems necessary for the operation and management of your Restaurant. All such personnel shall satisfy Dickey's educational and business criteria as provided to you in the Manuals or otherwise and shall be individuals acceptable to Dickey's. Such individuals shall satisfy the applicable training requirements in Article 9.

8.6 HIRING. You understand that compliance by all owner/operators and developers operating under the System with Dickey's training and operational requirements is an essential and material element of the System, and that Dickey's consequently expends substantial time, effort, and expense in training personnel to in turn train and supervise Dickey's owner/operators. Accordingly, you agree that during the term of this Agreement you shall not employ any individual who is at the time or was at any time during the prior six (6) months employed by Dickey's or any of its subsidiaries or affiliates, including but not limited to individuals employed by Dickey's or Dickey's Barbecue Pit, Inc. to work in Company-Operated Restaurants without the prior written approval of Dickey's, which approval may be withheld in Dickey's sole discretion. The parties expressly acknowledge and agree that no current or former employee of Dickey's, its subsidiaries and affiliates, or of any owner/operator or developer under the System shall be a third party beneficiary of this Agreement or any provision hereof. Any such approval by Dickey's shall not constitute a representation or warranty (i) that you are legally entitled to employ such employee, or (ii) as to the future performance of such employee or former employee of Dickey's or its subsidiaries and affiliates, and Dickey's shall not be liable for any losses, of whatever nature or kind, incurred by you as a result of your hiring of such individual.

8.7 USE OF RESTAURANT PREMISES. You shall use your Restaurant premises solely for the operation of the franchised business, shall maintain business hours as provided for in the Manuals or as Dickey's may specify from time to time in writing and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without obtaining the prior written consent of Dickey's. Business hours of operation shall be prominently posted on each entrance door and all food items shall be available for customers to purchase during the posted business hours of operation.

8.8 PERSONNEL. You agree to maintain competent, conscientious, and trained personnel to operate your Restaurant in accordance with this Agreement and the Manuals and all applicable laws, regulations, and codes of your jurisdiction and to take such steps as are necessary to ensure that your employees establish and preserve good customer relations, comply with such dress code and/or wear such uniforms as Dickey's may prescribe in the Manuals or otherwise and observe reasonable standards of grooming and cleanliness.

8.9 HEALTH AND SAFETY STANDARDS. You shall meet and maintain the highest health and safety standards and ratings applicable to the operation of your Restaurant. You shall furnish to Dickey's, within three (3) days after receipt thereof a copy of any inspection report, warning, citation, certificate,

rating, and any other document, of whatever nature or kind, issued by any federal, state, local, or other administrative agency, instrumentality or other organization with respect to the health or safety conditions of your Restaurant. To ensure the highest degree of health and safety of both your customers and employees, you shall prohibit unauthorized persons from gaining access to the kitchen.

8.10 PRODUCTS AND SERVICES. To ensure that the highest degree of quality and service is maintained, you shall operate your Restaurant in strict conformity with such methods, procedures, standards and specifications as Dickey's may from time to time prescribe in the Manuals or otherwise in writing. You further agree:

1. To offer for sale and sell at your Restaurant all menu items and other designated products and services required by Dickey's and to provide such products and services in the manner and style prescribed by Dickey's;

2. To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by Dickey's, to refrain from deviating from Dickey's standards and specifications without Dickey's prior written consent, and to discontinue selling and offering for sale any menu items, products or services which Dickey's may, in its discretion, disapprove in writing at any time;

3. To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies, uniforms, and paper goods that conform to Dickey's standards and specifications and that are purchased from vendors or suppliers approved by Dickey's, to prepare all menu items in strict accordance with Dickey's recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients and serving sizes, and to refrain from deviating from Dickey's standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without Dickey's prior written consent,

4. To permit Dickey's and its representatives and agents, at any reasonable time, to remove samples of food or non-food items from your inventory or from your Restaurant, without payment therefor, in amounts reasonably necessary for testing by Dickey's or an independent laboratory to determine whether such samples meet Dickey's then-current recipes, standards and specifications. In addition to any other remedies it may have under this Agreement, Dickey's may require you to bear the cost of such testing if the supplier of the item has not previously been approved by Dickey's or if the sample fails to conform with Dickey's specifications; and

5. To purchase or lease and install, at your expense, all fixtures, furnishings, barbecue cooking equipment, kitchen and dining room equipment, Point of Sale Systems, computer hardware (including internet connections and service, dedicated telephone and power lines and other related accessories, peripherals, consoles and equipment required to operate the Point of Sale System) and software, (including without limitation the software described in Article 8.13), menu boards (interior and exterior, as applicable), decor items and signs required by Dickey's, all of which must be purchased from vendors and suppliers approved by Dickey's and must conform to Dickey's standards and specifications as Dickey's may reasonably direct from time to time in the Manuals or otherwise in writing, and to refrain from installing or permitting to be installed on or about your Restaurant premises, without Dickey's prior written consent, any fixtures, furnishings, kitchen and dining room equipment, computer hardware and software, menu boards, decor items, signs, games, vending machines or other items not previously approved by Dickey's. If any of the property described above is leased by you from a third party, such lease must be approved by Dickey's, in writing, prior to execution. Dickey's approval shall be conditioned upon such lease containing a provision which permits any of your interest in the lease to be assigned to Dickey's upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon Dickey's in connection with such assignment,

8.11 APPROVED SUPPLIERS. Except for those items which you are required to obtain from Dickey's or its designee, you shall obtain all food and beverage items, ingredients, supplies, equipment (including Point of Sale Systems allowing remote access by Dickey's), computer hardware and software, materials and other products used or offered for sale at or from your Restaurant solely from vendors or suppliers (including manufacturers, distributors and other sources) approved by Dickey's and who demonstrate, to the continuing reasonable satisfaction of Dickey's, the ability to meet Dickey's then-current standards and specifications for such items, who possess adequate quality controls and capacity to supply your needs promptly and reliably and who have been approved in writing by Dickey's prior to any purchases by you and have not thereafter been disapproved. Dickey's or any affiliate or subsidiary may be an approved supplier of certain items and products. Dickey's may or may not receive compensation or other economic benefits from these approved suppliers. If you desire to purchase, lease or use any products from an unapproved supplier, you shall submit to Dickey's a written request for such approval or may request the supplier to do so. You shall not purchase or lease from any supplier until such supplier has been approved in writing by Dickey's. Dickey's shall have the right to require that its representatives and agents be permitted to inspect the supplier's facilities and that samples from the supplier be delivered either to Dickey's or to an independent laboratory designated by Dickey's for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by you or the supplier. Dickey's reserves the right, at its option, to reinspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Dickey's then-current criteria. Nothing above shall require Dickey's to approve any particular supplier.

Dickey's may also provide you from time to time a list of preferred vendors offering products and services typically of use to persons owning Restaurants similar to your Restaurant. You are not required to subscribe to those services unless Dickey's so stipulates. Dickey's may or may not receive compensation or other economic benefits from these preferred vendors. The list of preferred vendors may be modified by Dickey's from time to time.

8.12 SYSTEM SECRET RECIPES. You acknowledge and agree that Dickey's has developed and may continue to develop for use in the System barbecue seasonings, barbecue sauce, salad dressings and other products which are prepared from highly confidential secret recipes and which are trade secrets of Dickey's or an affiliate. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that Dickey's closely control the production and distribution of such products. Accordingly, you agree that as and when such products become a part of the System, you shall use only Dickey's secret recipe products and shall purchase solely from Dickey's or from a source designated by Dickey's all of your requirements for such products.

8.13 SOFTWARE AND HARDWARE. Dickey's requires that you utilize certain computer hardware and software in connection with the operation of your Restaurant. You agree to implement and use in the operation of your Restaurant the Aloha point of sale computer hardware, software and related consoles (including, without limitation, the Profit Management Console) approved by Dickey's (collectively, the "Point of Sale System"). Additionally, you agree to implement and use QuickBooks accounting software in the operation of your Restaurant. Further, you agree to implement and use in the operation of your Restaurant any upgrades, enhancements, replacements and additions to any computer hardware and software (including, without limitation, with regard the Point of Sale System) required by Dickey's from time to time. You shall be licensed to use or subscribe to and implement and keep in good repair all accounting/financial reporting programs and systems as Dickey's may require (and any upgrades, enhancements, replacements, modifications or additions required by Dickey's thereto), including, without limitation, the Point of Sale System and consoles which allow Dickey's to access your accounting and cash receipts and sales directly, and in this regard, you acknowledge that Dickey's shall have exclusive control over (and you shall not attempt to modify or regulate) such systems and consoles and the data generated thereby.

8.14 PRE-PACKAGED FOOD ITEMS AND PROMOTIONAL MERCHANDISE. Dickey's may make available at a reasonable cost and, at its option, will require you to purchase from Dickey's, for resale to your customers, certain prepackaged food items such as meats, barbecue sauce and vegetables and certain promotional merchandise identifying the System (such as T-shirts, sweatshirts, etc.), in amounts necessary to meet your customer demand.

8.15 ADVERTISING AND PROMOTIONAL MATERIALS. You shall require all advertising and promotional materials, menu boards, signs, decorations, paper goods (including menus and all forms and stationery used in the franchised business), and other items which may be designated by Dickey's to bear the Proprietary Marks in the form, color, location and manner prescribed by Dickey's. You will not conduct any advertising, promotion, marketing, public relations or telemarketing program or campaign for your Restaurant unless and until Dickey's has given you prior written approval for all concepts, materials or media proposed on any such advertising, promotion, marketing, public relations or telemarketing program or campaign. You shall purchase collateral marketing materials from Dickey's or its designated supplier as required in connection with such advertising and marketing programs. You will not permit any third party to advertise its business, services or products on the premises of the Accepted Location without obtaining the prior written approval of Dickey's.

8.16 MAINTENANCE. You shall, at your expense, repair, paint and keep in a clean and sanitary condition the interior, the exterior, the parking lot, menu boards (interior and exterior, as applicable), signage, interior and exterior lighting, and the grounds of your Restaurant and the Accepted Location, and will replace all floor covering, wall coverings, light fixtures, curtains, blinds, shades, furniture, room furnishings, wall hangings, menu boards, signs, fixtures and other décor items as such items become worn-out, soiled or in disrepair. All mechanical equipment, including ventilation, heating and air conditioning, must be kept in good working order by you at all times and must meet Dickey's quality standards. All replacement equipment, décor items, furniture, fixtures, menu boards, signs, supplies and other items used in your Restaurant by you must comply with Dickey's then-current standards and specifications.

8.17 REMODELING AND REDECORATION OF RESTAURANT. You will make the reasonable capital expenditures necessary to extensively remodel, modernize, redecorate and renovate your Restaurant (including, without limitation, to conform your Restaurant to Dickey's then-current Restaurant specifications and requirements) and the Accepted Location and to replace and modernize the furniture, menu boards, fixtures, supplies and equipment so that your Restaurant will at all times reflect the then-current image of Dickey's Restaurants. All remodeling, modernization, redecoration and renovation must be done in accordance with the standards and specifications prescribed by Dickey's from time to time, and must have the prior written approval of Dickey's. All replacements for the furniture, menu boards, fixtures, supplies and equipment must conform to Dickey's then-current quality standards, and must be approved by Dickey's in writing. You will commence remodeling, modernizing, redecorating and renovating your Restaurant within six (6) months after the date you receive written notice from Dickey's specifying the required remodeling, modernization, redecoration and renovation, and will diligently complete such remodeling, modernization, redecoration and renovation within a reasonable time. You will not be required to extensively remodel, modernize, redecorate and renovate your Restaurant or to replace and modernize its furniture, menu boards, fixtures, supplies and equipment more than once every five (5) years during the term of this Agreement, or incur more than \$40,000.00 in costs for each such remodeling or renovation.

8.18 SIGNAGE. You shall only display signs on or within your Restaurant premises which comply with guidelines established by Dickey's or that have been approved by Dickey's in writing, and you shall not use or display any other signs of any kind or nature on or within your Restaurant without obtaining prior written approval of Dickey's. You will, at your expense, be responsible for any and all installation costs, sign costs, architectural fees, engineering costs, construction costs, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments and levies in connection with the erection or use of the signs

including, if applicable, all electrical work, construction of the base and foundation, relocation of power lines and all required soil preparation work. You will comply with all federal, state and local laws, regulations, lease requirements, building codes and ordinances relating to the erection, maintenance and use of the signs. You may not alter, remove, change, modify, or redesign the signs unless approved by Dickey's in writing. Dickey's reserves the right from time to time to redesign the layout or the plans and specifications for signage during the term of the Agreement without the approval or consent of the Owner/Operator. Within thirty (30) days after receipt of written notice from Dickey's, you must, at your expense, either modify or replace your signage so that the signs at your Restaurant comply with Dickey's modified signage requirements. You will not be required to modify or replace the signs more than once every five (5) years. Dickey's will be entitled to seek injunctive relief against you, without the posting of any bond or security, to require you, at your expense, to: (A) exhibit, use and display the approved signs at your Restaurant during the term of this Agreement (B) remove the signs upon the termination or expiration of this Agreement; and (C) remove the signs from any former location upon any relocation of your Restaurant.

8.19 VENDING AND GAMING MACHINES. You will not permit any juke box, video electronic games, vending machines, coin or token operated machines (including pinball), gambling machines or other gambling devices to be used in the premises of your Restaurant, other than those approved by Dickey's in writing. You will not keep or offer for sale or allow employees to offer for sale at your Restaurant any tickets, subscriptions, pools, chances, raffles, lottery tickets or pull tabs, except by written consent of Dickey's.

8.20 ALCOHOLIC BEVERAGES. You will ~~not~~shall serve beer, wine or (and such other alcoholic beverages required or approved by Dickey's) at your Restaurant without the prior written consent of Dickey's. ~~You acknowledge that Dickey's strives to promote the Restaurants as "family-oriented" and that few Dickey's Restaurants, if any, currently provide and serve alcoholic beverages. If Dickey's consents to your sale of alcoholic beverages at your Restaurant, you provided that there are no extenuating circumstances approved by Dickey's or applicable laws or regulations preventing the sale of alcohol at your Restaurant.~~ You agree to comply with all licensing, insurance and other laws, regulations and requirements applicable to, and in a manner consistent with prudent business practices in connection with the sale of alcoholic beverages. You will also comply with the ~~Liquor Liability~~liquor liability insurance requirements outlined in Article 14 and which Dickey's may subsequently promulgate. YOU WILL INDEMNIFY, DEFEND AND HOLD DICKEY'S HARMLESS FROM AND AGAINST ANY LIABILITY OR CLAIMS BY ANY PERSON, ENTITY OR GOVERNMENT AGENCY RESULTING FROM YOUR SALE OF ALCOHOLIC BEVERAGES OR YOUR BREACH OF YOUR COVENANTS HEREUNDER.

8.21 STANDARD ATTIRE OR UNIFORMS. You will require your employees to wear the current standard attire uniforms as may be established and approved by Dickey's from time to time. All of your employees will wear clean and neat attire or uniforms and practice good personal hygiene as prescribed in the Dickey's Employee Handbook, if any, or other written directive.

8.22 INSPECTIONS. You hereby grant Dickey's and its representatives and agents the right to enter upon your Restaurant premises at any time for the purpose of conducting inspections of your Restaurant and its operation. You shall cooperate with Dickey's representatives and agents by rendering such assistance as they may reasonably request and, upon notice from Dickey's or its representatives and agents and without limiting Dickey's other rights under this Agreement you shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you fail to correct such deficiencies within a reasonable time as determined by Dickey's, Dickey's shall have the right (without, however, any obligation), to correct such deficiencies and to charge you a reasonable fee for Dickey's expenses in so acting, payable by you immediately upon demand.

8.23 REFERRAL FEES. Dickey's may, from time to time, offer existing owner/operators a fee for referring prospects to Dickey's who ultimately become Dickey's owner/operators. Any such prospect

cannot be an existing Dickey's owner/operator, and the assigned territory awarded such prospect must be outside the Assigned Area of any existing Dickey's owner/operator. In the event Dickey's announces and implements any such referral fee program, you acknowledge that you will comply with the requirements of such program. You further acknowledge that you do not have the authority to discuss or negotiate the offer of a franchise to any prospect or otherwise to contract or act on Dickey's behalf. Dickey's will not be bound by any statements or representations you may make, and Dickey's is under no obligation to offer or enter into a franchise agreement to anyone you may refer to Dickey's.

8.24 FIELD SERVICE MANAGER. Dickey's may elect, in its sole discretion, to assign to you a Field Service Manager (herein so called), who shall be an employee or representative of Dickey's. The Field Service Manager may advise you as to any operational matters regarding your Restaurant as Dickey's may require. Should Dickey's elect to assign a Field Service Manager, you will fully cooperate with the manager in implementing any recommendations made by the manager regarding operational matters. Dickey's is not obligated to assign to you a Field Service Manager, and at any time, Dickey's may chose to terminate the assignment of any Field Service Manager or reassign to you a different Field Service Manager.

8.25 COMPLIANCE. You shall comply with all other requirements set forth in this Agreement. Your failure to comply shall constitute an event of default under Article 16.

ARTICLE 9. TRAINING

You agree that it is necessary to the continued operation of the System and your Restaurant that you, the Operating Principal, any managers of your Restaurant and other Restaurant personnel receive the training as specified in the Manuals or as Dickey's may otherwise require and accordingly agree as follows:

9.1 INITIAL TRAINING PROGRAM.

1. Not later than twenty (20) days prior to the Opening Date, the Operating Principal and two (2) other managers (or, if Dickey's permits, three (3) of your employees other than the Operating Principal) shall have attended and completed, to Dickey's satisfaction, Dickey's initial training program. Training shall be conducted at Dickey's corporate training center, at a Company-Operated Restaurant or such other location designated by Dickey's. Dickey's shall determine, in its sole discretion, whether your employees have satisfactorily completed initial training. If the training program is not satisfactorily completed by your employees, or if Dickey's, in its reasonable business judgment based upon the performance of your employees, determines that the training program cannot be satisfactorily completed by all such person(s), you shall immediately designate a replacement employee(s), as applicable, to complete such initial training. Your management personnel must successfully complete the training program as determined and certified in writing by Dickey's prior to commencing pre-opening operations, as defined in the Manuals.

2. Without limiting Dickey's right to terminate this Agreement pursuant to Article 16, if the initial training program is not satisfactorily completed by any replacement employee (or the initial designees if no replacement is designated) or if Dickey's determines that the training program cannot be satisfactorily completed by such person(s), as set forth above, Dickey's may, in its sole discretion, terminate this Agreement effective immediately upon notice to you. Dickey's shall not be obligated to return the Franchise Fee or any other fee paid by you under this Agreement.

3. Dickey's shall provide instructors and training materials for the initial training program at no-additional-charge a reasonable cost to you as determined by Dickey's. Any successor or replacement employees and any additional Restaurant personnel may be required by Dickey's to attend and complete,

to Dickey's satisfaction, Dickey's initial training program. Dickey's reserves the right to impose a training fee for any such additional initial training programs. You shall be responsible for any and all expenses incurred by you or your employees in connection with any initial training program including, without limitation, costs of travel, lodging, meals, and wages.

9.2 ADDITIONAL TRAINING. You, the Operating Principal, and your employees may attend such additional or remedial training programs and seminars as Dickey's may offer from time to time. All certified managers shall be required to complete twelve (12) credit hours of continuing education courses per year at a rate of one (1) credit hour per month. Should a certified manager not fulfill the one (1) credit hour per month requirement, that manager will lose their certified status and be required to complete Dickey's field certification program in order to be recertified. At Dickey's discretion such training (including on-site remedial training) shall be mandatory if Dickey's provides written notice setting forth the reasonable justification for such additional or remedial training in a manner consistent with Dickey's requirements throughout the System. For all such training, Dickey's will provide the instructors and training materials; however, Dickey's reserves the right to impose a reasonable fee for such training, including costs of travel, lodging, meals and wages for Dickey's representatives. You shall be responsible for any and all expenses incurred by you or your employees in connection with such additional training including, without limitation, costs of travel, lodging, meals and wages.

9.3 MANAGERS; CHANGES IN PERSONNEL. If your Operating Principal or any trained manager shall, for any reason, cease to serve in such capacity, your replacement must, at your expense, be trained at an approved Dickey's Restaurant, and must successfully complete the management training program prior to being able to work in your Restaurant. You may request that your Restaurant be approved by Dickey's as a certified training Restaurant by meeting Dickey's criteria for a corporate training Restaurant. If approved by Dickey's, you may train your own managers at your Restaurant, thus reducing the expense of training new management personnel at off-site locations. Your Restaurant may lose its status as an approved certified training Restaurant if Dickey's determines that your Restaurant is no longer in compliance with the standards of a certified training Restaurant. All certified training Restaurants must be recertified by Dickey's every three (3) years in order to maintain certification.

9.4 ON-SITE TRAINING. In connection with the opening of your Restaurant, Dickey's shall make available to you at your expense an "opening team" consisting of at least one (1) trained representative of Dickey's to provide on-site training, supervision and assistance for a period of time aggregating not less than ten (10) days. Such on-site training, supervision and assistance need not be for ten (10) consecutive days and may be provided either before and/or after the Opening Date of your Restaurant. Except as otherwise provided, you shall be responsible for training all Restaurant personnel in accordance with the specifications and standards regarding such training described in the Manuals or otherwise in writing by Dickey's.

9.5 RELEASE. As a condition to participation in Dickey's training program, your participating personnel shall execute and deliver to Dickey's the Consent and Release for Training in substantially the form attached as Attachment C.

ARTICLE 10. USE OF PROPRIETARY MARKS

10.1 USE OF PROPRIETARY MARKS. In accordance with its rights under its license agreement with Dickey's Barbecue Pit, Inc., a Texas corporation affiliated with Dickey's, Dickey's hereby sublicenses you to use the Proprietary Marks during the term of this Agreement as follows:

1. With respect to your sublicensed use of the Proprietary Marks pursuant to this Agreement, you agree that:

A. You shall use only the Proprietary Marks designated by Dickey's and shall use them only in the manner authorized and permitted by Dickey's. Any unauthorized use of the Proprietary Marks shall constitute an infringement of Dickey's rights and an event of default under Article 16.

B. You shall use the Proprietary Marks only for the operation of your Restaurant at its Accepted Location or in connection with advertising related to your Restaurant and only during the term of this Agreement. You expressly agree to cease use of the Proprietary Marks after the termination or expiration of this Agreement and shall take appropriate action to remove the Proprietary Marks from your Restaurant premises and to cancel any advertising relating to your use of the Proprietary Marks;

C. Unless otherwise authorized or required by Dickey's, you shall operate and advertise the franchised business only under the name "Dickey's Barbecue Pit" without prefix or suffix;

D. During the term of this Agreement, you shall identify yourself as the owner of the franchised business (i) in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts and (ii) in a notice of such content and form and at conspicuous locations on your Restaurant premises;

E. You shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Dickey's;

F. You shall not use the Proprietary Marks as part of any website or domain name or your e-mail address;

G. You shall comply with Dickey's instructions in filing and maintaining any requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by Dickey's or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

H. You shall immediately notify Dickey's of any infringement or challenge to its use of any of the Proprietary Marks or claim by any person of any rights in any of the Proprietary Marks. You and your Principals agree that they will not communicate with any person other than Dickey's and Dickey's counsel in connection with any such infringement, challenge or claim. Dickey's shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, or Patent and Trademark Office action or other proceeding (including any claim or proceeding instituted before a foreign tribunal), arising out of any infringement, challenge or claim or otherwise relating to any of the Proprietary Marks. You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of Dickey's counsel, be necessary or advisable to protect and maintain Dickey's interests in any such litigation or Patent and Trademark Office or other proceeding, or to otherwise protect and maintain Dickey's interest in the Proprietary Marks. DICKY'S WILL INDEMNIFY YOU AGAINST AND REIMBURSE YOU FOR ALL DAMAGES FOR WHICH YOU ARE HELD LIABLE IN ANY PROCEEDING ARISING OUT OF YOUR USE OF ANY OF THE PROPRIETARY MARKS, PROVIDED THAT THE CONDUCT OF YOU AND YOUR PRINCIPALS WITH RESPECT TO SUCH PROCEEDING AND USE OF THE PROPRIETARY MARKS IS IN COMPLIANCE WITH THE TERMS OF THIS AGREEMENT.—Notwithstanding anything to the contrary herein, to the extent required under applicable Minnesota law, Dickey's will protect your right to use the Proprietary Marks and other trademarks, service marks, tradenames, logo types or other commercial symbols licensed to you by Dickey's or indemnify you for any loss, cost or expense arising out of any claim, suit or demand regarding the use of the same.

2. You expressly understand and acknowledge that,

A. Dickey's Barbecue Pit, Inc. and Dickey's are the owner and licensee, respectively, of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

B. Pursuant to its license with Dickey's Barbecue Pit, Inc., Dickey's has the right to use and grant sublicenses to use the Proprietary Marks to owner/operators in connection with the operation of businesses under the System;

C. The Proprietary Marks are valid and serve to identify Dickey's and Dickey's Barbecue Pit, Inc. as the source of origin of goods and services provided under them;

D. You shall not directly or indirectly contest the validity of Dickey's or Dickey's Barbecue Pit, Inc.'s ownership or interest in or validity of the Proprietary Marks;

E. Your use of the Proprietary Marks under this Agreement does not give you any ownership or other interest in or to the Proprietary Marks, except the sublicense granted by this Agreement,

F. Any and all goodwill arising from your use of the Proprietary Marks in your franchised business under this Agreement shall inure solely and exclusively to Dickey's benefit, and upon the expiration or termination of this Agreement and the sublicense herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

G. The right and license of the Proprietary Marks granted hereunder to you is nonexclusive and Dickey's and Dickey's Barbecue Pit, Inc. thus have and retain the following rights, among others, subject only to the limitations of Article 1:

i. To use for their own account and to grant other sublicenses for use of the Proprietary Marks, in addition to those sublicenses already granted to existing owner/operators;

ii. To develop and establish other systems using the Proprietary Marks or other names or marks and to grant sublicenses or franchises thereto without providing any rights to you; and

iii. To engage, directly or indirectly, through their employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (1) the production, distribution, license and sale of products and services and (2) the use in connection with such production, distribution and sale, of the Proprietary Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or used from time to time by Dickey's; and

H. Dickey's reserves the right to add or substitute different trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin for the Proprietary Marks for use in identifying the System and the businesses operating thereunder; or if Dickey's, in its sole discretion, determines that the addition or substitution of different trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin will be beneficial to the System. In such event, Dickey's may require you to discontinue or modify your use of any of the Proprietary

Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin.

ARTICLE 11. CONFIDENTIAL FRANCHISE OPERATIONS MANUALS

11.1 PROVISIONS OF MANUAL. You shall receive from Dickey's one (1) set of the Manuals on loan and at the cost established by Dickey's or its vendors and shall retain such set of the Manuals, or any replacement, for so long as this Agreement remains in effect. Alternatively, Dickey's may, as Dickey's deems appropriate, make any Manuals available to you through an established on-line website.

11.2 USE. To protect the reputation and goodwill of Dickey's and to maintain high standards of operation under Dickey's Proprietary Marks, you shall conduct your business in accordance with the Manuals, other written directives which Dickey's may issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved by Dickey's for use in the operation of the franchised business.

11.3 CONFIDENTIALITY. You and your Principals shall at all times treat the Manuals, any written directives of Dickey's, and any other manuals and materials, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with Article 12. You and your Principals shall not at any time copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make these materials available to any unauthorized person.

11.4 OWNERSHIP. The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by Dickey's shall at all times remain the sole property of Dickey's, shall at all times be kept in a secure place on your Restaurant premises and shall be returned to Dickey's immediately upon request or upon termination or expiration of this Agreement.

11.5 SUPPLEMENTATION OF AGREEMENT. The Manuals, any written directives and any other manuals and materials issued by Dickey's and any modifications to such materials shall supplement this Agreement.

11.6 REVISIONS. Dickey's may, from time to time, revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the franchised business. You expressly agree to comply with each new or changed standard; provided, however, you shall have thirty (30) days in which to implement compliance with each new or changed standard.

11.7 MAINTENANCE. You shall, at all times, ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Dickey's at Dickey's corporate office shall control.

ARTICLE 12. YOUR-CONFIDENTIALITY COVENANTS

12.1 DISCLOSURE OF CONFIDENTIAL INFORMATION. You and each of your Principals acknowledge that Dickey's will disclose to you confidential proprietary information and trade secrets of Dickey's as part of the training program and the other services to be rendered by Dickey's hereunder. You and each of your Principals shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of any other person(s), partnership, association or corporation or other entity any confidential information, knowledge or know-how concerning the methods of operation of the franchised business which may be communicated to you or any of your Principals or of which they may be apprised by virtue of your operation of the franchised business under this Agreement. You and each of

your Principals shall divulge such confidential information only to your Principals and manager(s) of your Restaurant and such other Restaurant personnel as may reasonably require access to it to operate the franchised business. Any and all information, knowledge, know-how and techniques used in or related to the System which Dickey's communicates to you or your Principals including, but not limited to, the Manuals, recipes, plans and specifications, marketing information and strategies and site evaluation and selection guidelines and techniques, shall be deemed confidential for purposes of this Agreement. Neither you nor your Principals shall at any time, without Dickey's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Article 12.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be binding upon you and each of your Principals.

12.2 CONFIDENTIALITY AGREEMENTS FROM OTHER PARTIES. At Dickey's request and in addition to the requirements of the other provisions of this Agreement, you shall require the shareholders or beneficial owners of any class of your securities or any corporation, directly or indirectly controlling you, if you are a corporation (or of any corporate general partner and any corporation directly or indirectly controlling your general partner, or from any limited partner, if you are a partnership), having access to any confidential information of Dickey's to execute covenants that they will maintain the confidentiality of the information they receive in connection with their relationship with you in form satisfactory to Dickey's.

12.3 NEW CONCEPTS, PROCESSES OR IMPROVEMENTS. If you or your Principals develop any new concept, process or improvement in the operation or promotion of your Restaurant, you agree to promptly notify Dickey's prior to implementation and provide Dickey's with all necessary related information, without compensation. Dickey's reserves the right to approve any such new concept, process or improvement prior to implementation in your Restaurant. You and your Principals acknowledge that any such concept, process or improvement shall become the property of Dickey's and Dickey's may use or disclose such information to other owner/operators or developers as it determines to be appropriate.

12.4 INJUNCTIVE RELIEF. You and your Principals acknowledge that any failure to comply with this Article 12 shall constitute an event of default under Article 16 and will cause Dickey's irreparable injury for which no adequate remedy at law may be available, and you and your Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or any of your Principals in violation of this Article 12. You and your Principals agree to pay all expenses (including court costs and reasonable legal fees), incurred by Dickey's in enforcing this Article 12 (including obtaining specific performance, injunctive relief or any other equitable or other remedy available to Dickey's for any violation of this Article 12).

ARTICLE 13. ACCOUNTING AND RECORDS

13.1 MAINTENANCE OF RECORDS. You shall maintain during the term of this Agreement and shall preserve for such period as may be required by law but not less than three (3) years from the dates of their preparation full, complete and accurate books, records and accounts including, but not limited to, sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers in accordance with generally accepted accounting principles on a timely basis and in a consistent form and manner as prescribed by Dickey's from time to time in the Manuals or in other written directives.

13.2 REPORTING REQUIREMENTS. You shall prepare all financial reporting on you and the Restaurant in accordance with the accounting methods, principles and practices prescribed by Dickey's for the accounting periods prescribed by Dickey's in the Manuals or otherwise in writing. During the term of this Agreement, you shall, at your expense, complete and submit to Dickey's on a continuous basis each of the following reports at the time set forth below and in the form prescribed by Dickey's in the Manuals or in other written directives:

1. A Monthly Sales Report for each monthly Sales Period in accordance with and on or before the dates set forth in Article 4.3;

2. An advertising expenditure report consisting of invoices or other documents which accurately reflect your expenditures for local advertising for the preceding sales period within ten (10) days following the end of such monthly Sales Period;

3. True, complete and correct copies of your state sales tax reports and returns on or before ten (10) days following the date such reports and returns are to be filed with the appropriate governmental authority; and

4. Such other forms, reports, graphs, information, and data as Dickey's may reasonably request, in the form and at the times specified in the Manuals or other written directives.

13.3 BALANCE SHEETS, INCOME AND STATEMENTS OF CHANGE. You shall prepare and submit to Dickey's an unaudited balance sheet, income statement, and statement of changes in financial position for the franchised business, prepared in accordance with generally accepted accounting principles, dated as of the end of your fiscal year, within sixty (60) days after the end of your fiscal year, which financial statement shall be signed by you or by your President attesting that it is true, complete, and correct.

13.4 EXAMINATION OF AUDIT RECORDS. Dickey's or its designees shall have the right at all reasonable times to examine and copy, at Dickey's expense, your books, records and tax returns. Dickey's shall also have the right, at any time, to have an independent audit made of your books. If any audit reveals that you have understated Net Sales in any report or statement, then you shall immediately pay Dickey's the additional amount of fees owing as a result of such understatement, together with interest as provided in Article 4.5. If an audit reveals that Net Sales have been understated in any report or statement by two percent (2%) or more, you shall additionally pay and reimburse Dickey's for all costs of the audit, including, without limitation, travel, lodging, meals and wage expenses and reasonable accounting and legal fees. These remedies shall be in addition to any other remedies Dickey's may have at law or in equity. If, however, any inspection reveals that you have overstated Net Sales and that you have therefore overpaid any fees, the amount of the overpayment, without interest, shall be credited toward your future fees or payment on future invoices. If you are at any time required to furnish any lender, lessor, government agency or other person audited financial statements with respect to the franchised business, you shall concurrently furnish Dickey's a copy of such audited financial statements.

13.5 DISCLOSURE OF DATA. You hereby authorize Dickey's to disclose data from your reports, if Dickey's determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing owner/operators, financial institutions, investment bankers or other third parties.

ARTICLE 14. INSURANCE

14.1 MAINTENANCE OF INSURANCE. You shall obtain, within thirty (30) days after the execution of this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies protecting you and Dickey's and its subsidiaries, affiliates, successors and assigns and their respective officers, directors, shareholders, partners, employees, servants, independent contractors, representatives and agents, against any demand or claim with respect to personal injury, death or property damage or any loss, liability or expense arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business.

14.2 COVERAGES. Such policy or policies shall be written by a responsible insurance carrier or insurance carriers with a Best's Insurance Guide rating of "A" or better, and shall include, at a minimum (except for any additional coverage may reasonably be specified by Dickey's from time to time), in accordance with standards and specifications set forth in the Manuals or otherwise in writing, the following:

1. Commercial general liability insurance:

A. The commercial general liability insurance policy shall include bodily injury, property damage, advertising and personal injury, and medical payments coverage parts, written on an occurrence reporting basis. The bodily injury, property damage, and advertising and personal injury coverage parts shall have a minimum per occurrence liability limit of \$1,000,000.00 per Restaurant location and a general aggregate liability limit of \$2,000,000.00 per Restaurant location. The medical payments coverage part shall have a per occurrence liability limit of \$5,000.00 per Restaurant location.

B. The commercial general liability policy shall also have a products/completed operations coverage part with a minimum per occurrence liability limit of \$1,000,000.00 per Restaurant location and a general aggregate liability limit of \$2,000,000.00 per Restaurant location.

B. The commercial general liability policy shall also have the following endorsements:

1. Bodily injury and property damage general liability insurance, with a minimum aggregate coverage per Restaurant of \$2,000,000.00 and a minimum per occurrence coverage of \$1,000,000.00 and with a Medical Payments limit of \$5,000.00, together with all risk replacement cost property insurance covering your Restaurant and its contents, awnings, signs and glass and with provision for business income loss, food spoilage endorsement and equipment breakdown coverage.

i. An endorsement listing Dickey's as an additional named insured on all coverage parts.

2. Products

ii. An endorsement making the commercial general liability insurance with a minimum aggregate coverage of \$1,000,000.00 policy issued in your name primary insurance coverage on a non-contributory basis with any other insurance available to Dickey's.

3. An umbrella policy providing coverage with limits of not less than \$1,000,000.00.

iii. An endorsement requiring the commercial general liability insurance carrier(s) to provide at least thirty (30) days notice of any intent to cancel the commercial general liability policy, regardless of the reason for cancellation.

4. Medical payment, crime **2. Crime (inside/outside), and employee dishonesty insurance with minimum per occurrence coverage of \$5,000.00, \$5,000.00 and \$15,000.00, respectively.**

A. Crime (moneys and securities) inside/outside coverage shall have a minimum per occurrence liability limit of \$10,000.00 per Restaurant location for inside crime and a minimum per occurrence liability limit of \$10,000.00 per Restaurant location for outside crime.

B. Employee dishonesty coverage shall have a minimum per occurrence liability limit of \$15,000.00 per Restaurant location.

5.3. Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to Dickey's, provided that you (i) maintain an excess indemnity or "umbrella" policy covering employer's liability and/or a medical disability policy covering medical expenses for on the job accidents, which policy or policies shall contain such coverage amounts as you and Dickey's shall mutually agree upon and (ii) conduct and maintain a risk management and safety program for YOUR your employees as you and Dickey's shall mutually agree is appropriate. Such policies shall also include, if available, an "alternate employer endorsement" in favor of Dickey's and a waiver of subrogation in favor of Dickey's and its directors, officers, shareholders, partners, employees, servants, representatives, and agents. The workers compensation insurance and employer's liability/medical disability policies must provide Coverage Part A for claims made by the injured worker and Coverage Part B for claims made by the injured worker's family members, including wrongful death claims.

6. 4. Automobile liability insurance coverage, including coverage of for owned, non-owned, and hired vehicles with coverage in amounts a liability limit not less than \$1,000,000.00 combined single limit.

5. Liquor liability insurance:

7. A. If you request and Dickey's permits you to sell alcoholic beverages at your Restaurant, Liquor Liability Insurance with minimum coverage of at least \$1,000,000.00 you shall carry liquor liability insurance with a minimum per occurrence liability limit of \$1,000,000.00 per Restaurant location.

B. The liquor liability insurance shall also have the following endorsements:

i. An endorsement listing Dickey's as an additional named insured:

ii. An endorsement making the liquor liability insurance policy issued in your name primary insurance coverage on a non-contributory basis with any other insurance available to Dickey's.

iii. An endorsement requiring the liquor liability insurance carrier(s) to provide at least thirty (30) days notice of any intent to cancel the liquor liability policy, regardless of the reason for cancellation.

6. Building and personal property insurance coverage:

A. Property coverage for physical loss or damage to personal property and real property including the leasehold improvements, at each Restaurant location. This coverage shall include all risk replacement cost property insurance for your Restaurant and its contents, awnings, equipment, signs, class, additions under construction, outdoor fixtures, personal property, as well as business interruption insurance for income loss, food spoilage endorsements, equipment breakdown coverage, business ordinance coverage, debris removal, preservation of property, fire department service charges, pollutant clean up and removal, newly acquired or constructed property, property of others, property off premises, and stock. The coinsurance percentage shall not exceed eighty percent (80%).

B. The building and personal property insurance shall also have the following endorsements:

i. An endorsement requiring the building and personal property insurance carrier(s) to provide at least thirty (30) days notice of any intent to cancel the building and

personal property insurance coverage, regardless of the reason for cancellation.

ii. A loss payable endorsement listing Dickey's as the loss payee for equipment and supplies financed by Dickey's either by a loan, line of credit, or an open account.

7. **Umbrella liability insurance:**

8. **Umbrella liability.** Umbrella coverage of not less than \$1,000,000.00 withover the above described general commercial liability, liquor-legal liability, automobile liability, products/completed operations, and employer's liability insurance coverage parts with an each occurrence limit of \$1,000,000.00. The umbrella policy shall be written on an occurrence reporting basis.

8. The umbrella liability insurance shall also have the following endorsements:

i. An endorsement listing Dickey's as an additional named insured.

ii. An endorsement requiring the umbrella liability insurance carrier(s) to provide at least thirty (30) days notice of any intent to cancel the umbrella policy, regardless of the reason for cancellation.

8. Any insurance included on the underlying schedule of insurance. 9. Any insurance which may be required by statute or rule of the state or locality in which the franchised business will be operated or which may hereinafter be required by Dickey's your Restaurant will be operated.

8. Additional insurance coverages that may reasonably be specified by Dickey's from time to time, in accordance with standards and specifications set forth in the Manuals or otherwise in writing.

14.3 DEDUCTIBLES. You may, with the prior written consent of Dickey's, elect to have reasonable deductibles in connection with the coverage required under Articles 14.2.1 and 14.2.7.

14.4 BUILDER'S RISK. In connection with any finish-out, renovation, refurbishment or remodeling of your Restaurant, you or your approved contractor shall maintain Builder's All Risk builder's all risk insurance and performance and completion and payment bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Dickey's.

14.5 NO RELIANCE UPON DICKEY'S INSURANCE. Your obligation to obtain and maintain the above policy or policies and bonds in the amounts specified or agreed to by Dickey's shall not be limited in any way by any insurance which may be maintained by Dickey's, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article 20.4.20.

14.6 FORM OF COVERAGES. All of your insurance coverages shall name Dickey's as an "additional insured". All public liability, property damage, motor vehicle liability, and business interruption policies shall contain a provision that your insurance coverage shall be primary to any coverage maintained by Dickey's and Dickey's shall be entitled to recover under your policies for any loss occasioned to Dickey's, its subsidiaries, affiliates, successors and assigns, and their respective officers, directors, shareholders, partners, employees, servants, representatives, independent contractors, and agents, for whatever reason, and shall contain a waiver of subrogation in favor of Dickey's. **14.7 EVIDENCE OF INSURANCE.** Within thirty (30) days after the execution of this Agreement and, thereafter, at least sixty (60) days prior to the expiration of any such policy, you shall deliver to Dickey's certificates of insurance and, if requested by Dickey's, copies of the applicable insurance policies evidencing the proper coverage with limits not less than those required hereunder. In addition, all insurance policies and certificates shall

~~expressly provide that no less than thirty (30) days' prior written notice shall be given to Dickey's in the event of a material alteration to or cancellation of the policies indicating the contracted for insurance coverages as well as the description of special provisions (e.g. additional named insured status). You shall also provide a binder, declarations page, or confirmation of insurance, describing and confirming the coverages afforded by the required policies described in Article 14.2.~~

44-814.7 REMEDIES. Should you, for any reason, fail to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Dickey's in the Manuals or otherwise in writing, Dickey's shall have the right (without, however, any obligation) immediately to obtain such insurance and to charge same to you, which charges, together with a reasonable fee for Dickey's expenses, shall be payable by you immediately upon notice. These remedies shall be in addition to any other remedies at law or in equity that Dickey's may have.

ARTICLE 15. TRANSFER OF INTEREST

15.1 TRANSFER BY DICKEY'S. Dickey's shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations hereunder to any person or legal entity without your consent. Specifically, and without limitation to the foregoing, you expressly affirm and agree that Dickey's may sell its assets, the Proprietary Marks or the System to a third party; may merge, acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of the Proprietary Marks or the System against Dickey's under this Agreement. Nothing contained in this Agreement shall require Dickey's to remain in the business of operating or licensing the operation of Dickey's Barbecue Pit Restaurants or other restaurants or to offer any services or products, whether or not bearing the Proprietary Marks, to you, if Dickey's exercises its rights hereunder to assign its rights in this Agreement.

15.2 TRANSFER BY YOU.

1. You and your Principals understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and that Dickey's has granted this franchise in reliance on the business skill, financial capacity and personal character of you and your Principals. Accordingly, you shall provide Dickey's with written notice of all transfers of an interest in you by any of your Principals; provided that such notice shall not be deemed as an approval by Dickey's of the transfer. In addition, neither you nor any successor or assign to any part of your interest in this Agreement or the franchised business, nor any individual, partnership, corporation or other entity which directly or indirectly has or owns any interest in this Agreement, in the franchised business or in you shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber a Controlling Interest (as defined in this Article 15.2.1) in this Agreement, in the franchised business or in you without the prior written consent of Dickey's; provided, however, that Dickey's prior written consent shall not be required for a transfer of less than a one percent (1%) interest in a Publicly-Held Corporation.

For purposes of this Agreement, a "Controlling Interest" shall mean any of the following: (i) if you are a corporation, a transfer, direct or indirect, individually or cumulatively, of more than fifty percent (50%) of the stock or equity interests in you, (ii) if you are a limited partnership or other entity, a transfer, direct or indirect, individually or in the aggregate of more than fifty percent (50%) of the beneficial or equity interests in you or your general partner, (iii) a transfer, direct or indirect, individually or cumulatively of more than fifty percent (50%) of the stock or equity interests of your Operating Principal or of any corporation or entity controlling you, (iv) a transfer which, by virtue of shareholder agreements, proxies, voting agreements or the like, vests, directly or indirectly, in the transferee the right to control your actions, as determined by Dickey's, in its reasonable discretion. For purposes of this Agreement, a "Publicly-Held Corporation" is a

corporation whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of the Securities Exchange Act, as amended.

Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Dickey's required by this Article 15, shall be null and void and shall constitute an event of default under this Agreement, for which Dickey's may then terminate this Agreement pursuant to Article 16.

2. Dickey's shall not unreasonably withhold its consent to a transfer of any interest in you, in the franchised business or in this Agreement; however, to the extent permitted under applicable Minnesota law, Dickey's may, in its sole discretion, require any or all of the following as conditions of its approval to any such transfer:

A. All of your accrued monetary and other outstanding obligations to Dickey's and its subsidiaries and affiliates arising under this Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner.

B. You are not in default of any provision of this Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates.

C. Unless otherwise prohibited by applicable law, the transferor and its principals, as applicable, shall have executed a general release, in a form prescribed by Dickey's, of any and all claims against Dickey's and its subsidiaries and affiliates and their respective officers, directors, shareholders, partners, employees, servants, representatives, and agents, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement between you and Dickey's or its subsidiaries or affiliates and federal, state and local laws, rules and ordinances.

D. The transferee shall enter into a written agreement, in a form prescribed by Dickey's, assuming full, unconditional, joint and several liability for and agreeing to perform from the date of the transfer, all of your obligations, covenants and agreements contained in this Agreement, and if transferee is a corporation or partnership, transferee's shareholders, partners or other investors, as applicable, shall also execute such agreement as principals of the transferee, including a guaranty of your obligations contained in this Agreement.

E. The transferee shall demonstrate to Dickey's satisfaction that the transferee meets the criteria which Dickey's considers when reviewing a prospective owner/operator's application for a franchise, including Dickey's educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, the transferee's aptitude and ability to conduct the franchised business (as may be evidenced by prior related business experience or otherwise), the transferee's financial resources and capital and the geographic proximity of other Restaurants operated by the transferee and territories with respect to which transferee is obligated to develop Restaurants pursuant to any agreements between Dickey's and the transferee, in relation to your Restaurant,

F. Unless prohibited by applicable law, the transferee shall, at Dickey's option, execute for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the form of franchise agreement then being offered to new System owner/operators and other ancillary agreements as Dickey's may require for the franchised business, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this

Agreement and may include, without limitation, a higher royalty fee and advertising fee and expenditure requirement; provided, however, that the transferee shall not be required to pay any initial Franchise Fee and if the transferee is a corporation or partnership, transferee's shareholders, partners or other investors, as applicable, shall also execute such agreements as principals of the transferee, including a guaranty of your obligations contained in such Agreement;

G. The transferee, at its expense, shall renovate, modernize and otherwise upgrade your Restaurant to conform to the then-current standards and specifications of System Restaurants (including, without limitation, the modernization of your Restaurant to conform to Dickey's then-current Restaurant specifications and requirements) as reasonably requested by Dickey's within the time specified by Dickey's; provided, that the transferee shall be provided a reasonable period within which to effect such renovation, modernization or upgrading, and provided further, that the costs of such work shall not be unreasonably expensive.

H. The transferor shall remain liable for all of the obligations to Dickey's in connection with the franchised business incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Dickey's to evidence such liability.

I. Prior to completion of the transfer of your interest to the transferee, at the transferee's expense, the transferee's Operating Principal, managers, chefs, and other personnel designated by Dickey's shall complete the initial training program and any other training programs then required, upon such terms and conditions (including payment of a reasonable fee), as Dickey's may reasonably require.

J. You shall pay Dickey's a transfer fee of \$10,000.00 or such greater amount as is necessary to reimburse Dickey's for its reasonable costs and expenses associated with reviewing the application for transfer, including, without limitation, legal and accounting fees.

K. If transferee is a corporation or a partnership, transferee shall make and will be bound by any or all of the representations, warranties and covenants in Article 6.1 as Dickey's requests. Transferee shall provide to Dickey's evidence satisfactory to Dickey's that the terms of Article 6.1 have been satisfied and are true and correct on the date of transfer.

3. You hereby acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to ensure the transferee's full performance of the obligations hereunder.

15.3 TRANSFER FOR CONVENIENCE OF OWNERSHIP. If the proposed transfer is to a corporation formed solely for the convenience of ownership, to the extent permitted under applicable Minnesota law, Dickey's consent may be conditioned upon any of the requirements in Article 15.2, except that the requirements in Articles 15.2.2.C, E, F, G, I and J shall not apply. You shall be the owner of all the voting stock of the corporation and if you are more than one (1) individual, each individual shall have the same proportionate ownership interest in the corporation as he had prior to the transfer.

15.4 RIGHT OF FIRST REFUSAL.

1. In the event you or any party holding an interest in you (including any interest acquired pursuant to Article 15.5), in the franchised business or in this Agreement desire to accept any bona fide offer from a third party to purchase such interest, you shall promptly notify Dickey's in writing of each such offer and shall provide such information and documents relating to the offer as Dickey's may require. Dickey's shall have the right and option, exercisable within fifteen (15) days after receipt of such written notification, information and documents, to send written notice to the transferor that Dickey's intends to purchase the transferor's interest on the same terms and conditions offered by the third party. If Dickey's

elects to purchase the transferor's interest, the closing on such purchase must occur within thirty (30) days from the date of notice to the transferor of the election to purchase by Dickey's, or such other date as may be agreed upon. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Dickey's as in the case of an initial offer. Failure of Dickey's to exercise the option afforded by this Article 15.4 shall not constitute a waiver of any other provision of this Agreement, including all provisions relating to a proposed transfer.

2. If the offer from the third party provides for payment of consideration other than cash or involves certain intangible benefits, Dickey's may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on such amount, an independent appraiser shall be designated by each party to determine such amount. In the event that such appraisers shall agree on such amount, the determination shall be final and binding. In the event that such appraisers fail to agree within thirty (30) days, a third independent appraiser shall be designated by such appraisers, and the determination by a majority of appraisers shall be binding. Each party shall bear the costs and expenses of the appraiser appointment by such party, and the parties shall share equally the costs and expenses of the third appraiser.

3. If Dickey's elects to exercise the option described in this Article 15.4, it shall have the right to set off the cost of the appraisal described in Article 15.4.2 above, if any, against any payment made hereunder.

4. Failure to comply with the provisions of this Article 15.4 prior to the transfer of your interest, any interest in the franchised business or in this Agreement, shall constitute an event of default under Article 16.

15.5 TRANSFER UPON DEATH OR PERMANENT DISABILITY.

1. Upon the death of any person (the "Deceased") with an interest in this Agreement, the franchised business or in you, the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Dickey's within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Dickey's. If the distributee is not approved by Dickey's, then the distributee shall transfer such interest to a third party approved by Dickey's within twelve (12) months after the death of the Deceased.

2. Upon the Permanent Disability (as defined in this Article 15.5) of any person with an interest in this Agreement, the franchised business or in you, Dickey's may, in its sole discretion, require such interest to be transferred to a third party approved by Dickey's within six (6) months after notice to you. "Permanent Disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent Disability shall be determined by two (2) licensed practicing physicians. One (1) licensed practicing physician shall be selected by Dickey's, while a second licensed practicing physician shall be selected by you. If these two (2) licensed practicing physicians cannot agree on whether a Permanent Disability exists, they shall appoint a third licensed practicing physician whose expert opinion shall be controlling. The costs of any examination required by this Article 15.5 shall be paid by Dickey's.

3. In the event of the death or Permanent Disability of any person with a twenty percent (20%) or more interest in this Agreement, the franchised business or in you, or any person with an interest less than twenty percent (20%) if Dickey's determines, in its sole discretion, that such person had substantial control or supervision over the management of your Restaurant, Dickey's at its option may

elect to operate your Restaurant during the interim twelve (12) months following such death or the interim six (6) months following such Permanent Disability, as applicable, until the interest of such person is transferred in accordance with this Article 15 or until the applicable interim period expires, whichever comes first. As compensation for managing your Restaurant, Dickey's will charge a management fee of five percent (5%) of the Net Sales of your Restaurant for each Sales Period, which will be in addition to the royalty fee, advertising contributions and any other fees or payments due and owing to Dickey's and, if Dickey's provides one of its employees as manager, you shall pay Dickey's the manager's then-current salary for the time of such interim management. In addition, you will remain responsible for payment of employee salaries, taxes, rent, utilities, supplies and all other costs and expenses associated with the operation of your Restaurant. Dickey's shall exercise its best efforts in managing your Restaurant, but shall not be liable for any losses incurred by your Restaurant during the time of such management and thereafter. IF DICKEY'S ELECTS TO OPERATE YOUR RESTAURANT PURSUANT TO THIS ARTICLE 15.5.3, YOU SHALL INDEMNIFY DICKEY'S FOR LOSSES AND EXPENSES INCURRED BY DICKEY'S AS A RESULT OF SUCH OPERATION TO THE SAME EXTENT AS PROVIDED IN ARTICLE 20.4.

4. Upon the death or claim of Permanent Disability of any person with an interest in this Agreement, the franchised business or you, you or your representative must promptly notify Dickey's of such death or claim of Permanent Disability. Any transfer upon death or Permanent Disability shall be subject to the same terms and conditions as described in this Article 15 for any inter vivos transfer. If an interest is not transferred upon death or Permanent Disability as required in this Article 15.5, Dickey's may terminate this Agreement pursuant to Article 16.

15.6 NON-WAIVER OF CLAIMS. Dickey's consent to a transfer of any interest in you, the franchised business or this Agreement shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Dickey's right to demand exact compliance with this Agreement by the transferee.

15.7 OFFERINGS BY YOU. Securities of or partnership interests in you may be offered to the public, by private offering or otherwise, only with the prior written consent of Dickey's (whether or not Dickey's consent is required under Article 15.2), which consent shall not be unreasonably withheld. All materials required for such offering by federal or state law shall be submitted to Dickey's for a limited review as discussed below prior to their being filed with any government agency; and any materials to be used in any exempt offering shall be submitted to Dickey's for such review prior to their use. Your offering shall not imply (by use of the Proprietary Marks or otherwise) that Dickey's is participating in an underwriting, issuance or offering of your securities or Dickey's securities or the securities of any subsidiary or affiliate of Dickey's; and Dickey's review of any offering materials shall be limited solely to the subject of the relationship between you and Dickey's and its subsidiaries and affiliates. Dickey's may, at its option, require your offering materials to contain a written statement prescribed by Dickey's concerning the limitations described in the preceding sentence. **YOU AND THE OTHER PARTICIPANTS IN THE OFFERING MUST FULLY INDEMNIFY DICKEY'S IN CONNECTION WITH THE OFFERING.** For each proposed offering, you shall pay to Dickey's a nonrefundable fee of \$1,000.00, or such other amount as is necessary to reimburse Dickey's for its reasonable costs and expenses associated with reviewing the proposed offering materials, including without limitation, legal and accounting fees. You shall give Dickey's written notice at least thirty (30) days prior to any offering or other transaction covered by this Article 15.7.

ARTICLE 16. DEFAULT AND TERMINATION

16.1 Events of Default Effective After Notice Period. You shall be in default and Dickey's may, at its option, terminate this Agreement upon the occurrence of any of the breaches listed below, if (i) Dickey's has provided you with written notice setting forth all of the reasons for the termination or cancellation of this Agreement at least ninety (90) days in advance of termination or cancellation and (ii) you shall have

failed to correct the reasons stated for the termination or cancellation in such notice to the satisfaction of Dickey's within sixty (60) days of receipt of the notice; except that such notice shall be effective immediately upon receipt for the grounds for termination or cancellation set forth in Article 16.2.

1. You file a bankruptcy, receivership or equivalent insolvency proceeding under the federal bankruptcy law or any state statute;

2. Any bankruptcy, receivership or insolvency proceeding is filed against you and is not dismissed within sixty (60) days following the filing thereof;

3. You are merged, consolidated or dissolved;

4. A final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless you have sooner filed an appropriate supersedeas bond);

5. Any lien against the equipment of the franchise business is foreclosed upon or if the equipment of the franchise business is levied or executed upon;

6. You cease operation of your Restaurant, after opening, and such cessation continues for at least ten (10) days;

7. You transfer or permit to be transferred your rights under this Agreement or a Controlling Interest in you in violation of Article 15 of this Agreement;

8. You are in default under your lease of your Restaurant premises;

9. You fail to locate a proposed site for your Restaurant within the time stated in, and otherwise in accordance with, Article 7.2;

10. You fail to acquire a site for your Restaurant within the time stated in Article 7.5, and otherwise in accordance with, Article 7.2;

11. You fail to commence business within the time stated in, and otherwise in accordance with, Article 7.10;

~~10-12.~~ You fail to comply with the provisions of Article 8.9;

~~11-13.~~ You fail to comply with any confidentiality or non-compete provisions of this Agreement, including, without limitation, those set forth in Articles 11 and 12;

~~12-14.~~ You fail to operate your Restaurant in accordance with the provisions, standards and specifications of Dickey's set forth in Articles 7 and 8 hereof or in the Manuals or other written directives of Dickey's (and in particular, and without limiting the generality of the foregoing, you shall comply with the provisions, standards and specifications set forth in Article 8 hereof);

~~13-15.~~ You fail to timely pay your initial Franchise Fee, royalty fees, Marketing Fund contribution or any other monetary obligations owed to Dickey's or its affiliates under this Agreement or otherwise (including, without limitation, any interest accrued on any overdue payments), or, your failure to timely submit your Monthly Sales Report;

~~14-16.~~ You misuse or make any unauthorized use of the Proprietary Marks or otherwise materially impair the goodwill associated with the Proprietary Marks or with the System or Dickey's rights therein;

~~45.17.~~ You or any of your Principals breach the covenants set forth in Article 18 of the Agreement

~~46.18.~~ You or any of your Principals purchase food and beverage or other products or utilize vendors or suppliers which have not been approved by Dickey's;

~~47.19.~~ You or any of your Principals breach any other covenant agreement obligation or term set forth in this Agreement; or

~~48.20.~~ If any representation or warranty made by you or your Principals in this Agreement or in any certificate, report, notice, financial statement or other document furnished to Dickey's at any time in connection with this Agreement or the operation of your Restaurant shall be false, misleading or erroneous in any material respect when made.

16.2 Events of Default Effective Upon Receipt of Notice. A written notice setting forth the reasons for termination or cancellation of this Agreement is effective immediately upon your receipt where the grounds for termination or cancellation are:

1. Your voluntary abandonment of the franchise relationship;
2. Your conviction of an offense directly related to the business conducted pursuant to the franchised business; or
3. Your failure to cure a default under this Agreement which materially impairs the goodwill associated with Dickey's trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure of at least twenty-four (24) hours in advance thereof.

This Article 16.2 shall control and supersede Article 16.1 to the extent that any grounds for termination or cancellation listed in Article 16.1 also constitute grounds for termination or cancellation under this Article 16.2.

ARTICLE 17. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon the termination or expiration of this Agreement, all rights granted hereunder to you shall terminate and:

1. You shall immediately cease to operate your Restaurant as a Dickey's Restaurant and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former owner/operator of Dickey's. Unless otherwise indicated in a writing from Dickey's, you shall pay to Dickey's in a single lump-sum payment, as liquidated damages and not as a penalty, royalty fees for the remaining term of the Agreement (or the renewal term, if applicable) calculated based upon the average Net Sales of your Restaurant prior to termination.

2. You shall immediately and permanently cease to use, in any manner, any confidential methods, procedures, techniques, and trade secrets associated with the System, the Proprietary Marks, and all other distinctive forms, slogans, signs, symbols and devices associated with the System, as set forth in the Manuals. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks. All such items which display the Proprietary Marks shall be removed from your Restaurant premises at your cost within thirty (30) days of termination.

3. You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Marks or any part thereof or any other service mark or trademark of Dickey's and you shall furnish Dickey's with evidence satisfactory to Dickey's of compliance with this obligation within five (5) days after the termination or expiration of this Agreement.

4. You shall, at Dickey's option (unless Dickey's exercises its option under Article 17.5 hereof, in which event Dickey's shall also have the option to cause you to), assign to Dickey's any interest which you have in any lease or sublease for your Restaurant premises or for any equipment used in the operation of the franchised business. Dickey's may exercise such option at or within thirty (30) days after either termination or (subject to any existing right to renew) expiration of this Agreement. The time for closing on the assignment of lease, sublease or equipment shall be a date no later than ten (10) days after Dickey's exercise of the option(s) unless Dickey's is also exercising its option to purchase property described below in Article 17.5, in which case the date of closing shall be on the same date prescribed for the purchase option. Closing shall take place at Dickey's corporate offices or at such other location as the parties may agree. If neither you nor Dickey's elect to exercise its option to acquire the lease or sublease for the premises of the franchised business, you shall make such modifications or alterations to such premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of such premises from that of other Restaurants operating under the System and shall make such specific additional changes as Dickey's may reasonably request. If you fail or refuse to comply with the requirements of this Article 17.4, Dickey's shall have the right to enter upon the premises of the franchised business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you shall pay upon demand.

5. A. Dickey's shall have the option, which it may exercise by providing written notice to you within thirty (30) days after termination or (subject to any right to renew) expiration of this Agreement, to purchase from you any or all of your furnishings, equipment, (including any computer hardware and software), signs, fixtures, supplies or inventory related to the operation of the franchised business, at your cost or fair market value, whichever is less. Should Dickey's exercise such option:

B. Dickey's shall be purchasing your assets only and shall be assuming no liabilities. Notwithstanding anything contained herein to the contrary, Dickey's and you shall fully comply with the requirements of any "bulk transfer" or fraudulent conveyance statute or equivalent law in the jurisdiction in which your Restaurant is located, so that Dickey's shall not assume or acquire any "transferee" liability.

C. If the parties cannot agree on a fair market value within thirty (30) days from the date of Dickey's notice to exercise its option, an independent appraiser shall be designated by each party and the two (2) independent appraisers shall select a third independent appraiser. The determination of fair market value by the majority of the appraisers shall be binding. Each party shall bear the costs and expenses of the appraiser appointed by such party, and the parties shall share equally the costs and expenses of the third appraiser.

D. At closing, you shall deliver to Dickey's, in a form satisfactory to Dickey's, such bills of sale, assignments, releases of liens, and such other documents and instruments which Dickey's deems reasonably necessary to perfect Dickey's title and possession in and to the assets being purchased and to certify that the requirements of all taxing and other governmental authorities have been satisfied. If at the time of closing you have not obtained all of these certificates and other documents, Dickey's may, in its sole discretion, place the purchase price in escrow pending the issuance of any required certificates or documents.

E. The time and place for the closing of the purchase and sale of such assets shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the

appraisers, whichever is later, at the corporate offices of Dickey's, unless the parties mutually agree to another date or place.

F. At closing, Dickey's shall have the right to set off all amounts you owe to Dickey's and its subsidiaries and affiliates and the cost incurred in connection with any escrow arrangement, (including reasonable legal fees), against any payment for the assets, and shall pay the remaining amount in cash.

6. You, at Dickey's option, shall assign to Dickey's all rights to the telephone numbers of your Restaurant and execute all forms and documents required by any telephone company to transfer such service and numbers to Dickey's. You hereby appoint Dickey's your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers at or in connection with any subsequent business conducted by you.

7. You agree, if you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or its promotion, which is likely to cause confusion, mistake or deception or which is likely to dilute Dickey's rights in and to the Proprietary Marks, and further agree not to use any designation of origin or description or representation which falsely suggests or represents a continuing association or connection with Dickey's.

8. You shall promptly pay all sums owing to Dickey's and its subsidiaries and affiliates. In the event of termination for any default by you, such sums shall include interest on any past due amounts as set forth in this Agreement, and all damages, costs, and expenses, including reasonable legal fees, incurred by Dickey's as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Dickey's against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by you and on the premises of the franchised business at the time of default.

9. You shall pay to Dickey's all damages, costs, and expenses, including reasonable legal fees, incurred by Dickey's after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 17.

10. You shall immediately deliver to Dickey's all materials, including the Manuals, records, files, instructions, correspondence, customer lists, and all other writings or electronic data related to operating the franchised business, including, without limitation, brochures, agreements, invoices, and all other related materials in your possession, and all copies thereof (all of which are acknowledged to be Dickey's property), and shall retain no copy or record of any of the above, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any applicable law.

11. You and your Principals shall comply with the restrictions on confidential information contained in Article 12.1 and the covenants contained in Article 18.B. Any other person required to execute similar covenants pursuant to Articles 12.2 or 18 shall also comply with such covenants.

ARTICLE 18. COVENANTS

1. You covenant that during the term of this Agreement, except as otherwise approved in writing by Dickey's, you and the Operating Principal shall devote full time, energy and best efforts to the management and operation of the franchised business.

2. You and your Principals specifically acknowledge that, pursuant to this Agreement, you and your Principals will receive valuable specialized training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales promotional and marketing methods and techniques of Dickey's and the System and proprietary recipes which are beyond your present skills and experience, and that of your Principals and your managers and employees. You and your Principals acknowledge that such training, trade secrets, and confidential information provide a competitive advantage and will be valuable to you in the development of the franchised business and that gaining access to such training, trade secrets, recipes, and confidential information is, therefore, a primary reason for entering into this Agreement. In consideration for such training, trade secrets, and confidential information, you and your Principals covenant as follows:

A. With respect to you, during the term of this Agreement, or with respect to each of your Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of your Principal in Article 26.3.3, except as otherwise approved in writing by Dickey's, neither you nor any of your Principals shall, either directly or indirectly, for yourselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

i. Divert or attempt to divert any business or customer of the franchised business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

ii. Own, maintain, operate, engage in or have any financial or beneficial interest in (including interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to the franchised business including, but not limited to, any food business which offers barbecue-style food as a primary menu item.

B. With respect to you, for a continuous uninterrupted period commencing upon the expiration or termination of, or transfer of all of your interest in, this Agreement, or with respect to each of your Principals, for a continuous uninterrupted period commencing upon the earlier of: (i) the expiration, termination or transfer of all of your interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of your Principal in Article 26.3.3, and for two (2) years thereafter, except as otherwise approved in writing by Dickey's, neither you nor any of your Principals shall, either directly or indirectly, for yourselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

i. Divert or attempt to divert any business or customer of the franchised business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Dickey's Proprietary Marks and the System; or

ii. Employ or seek to employ any person who is at that time employed by Dickey's, by an affiliate of Dickey's, or by any other owner/operator or developer of Dickey's, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be permitted under any existing Development Agreement or franchise agreement between Dickey's and you; or

iii. Own, maintain, operate, engage in or have any financial or beneficial interest in (including interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to the franchised business including, but not limited to, any food business which offers barbecue-style food as a primary menu item, which business is, or

is intended to be, located within a thirty (30)-mile radius of the location accepted hereunder or within a five (5)-mile radius of any Restaurant in existence or under construction as of the earlier of: (a) the expiration or termination of, or the transfer of all of your interest in, this Agreement, or (b) the time your Principal ceases to satisfy the definition of your Principal, as applicable.

C. Articles 18.2.A.ii and 18.2.B.iii shall not apply to ownership of less than a one percent (1%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation.

3. The parties agree that each of the above covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Dickey's is a party, you and your Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 18.

4. You and your Principals understand and acknowledge that Dickey's shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Article 18.2, or any portion thereof, without your consent, effective immediately upon written notice to you; and you and your Principals agree that they shall immediately comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 25.

5. You and your Principals expressly agree that the existence of any claims you may have against Dickey's, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Dickey's of the covenants in this Article 18, you and your Principals agree to pay all costs and expenses (including reasonable legal fees), incurred by Dickey's in connection with the enforcement of this Article.

6. You and your Principals acknowledge that a violation of the terms of this Article 18 would result in irreparable injury to Dickey's for which no adequate remedy at law may be available, and you and your Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or any of your Principals in violation of the terms of this Article.

7. At Dickey's request, you shall require and obtain execution of covenants similar to those set forth in this Article 18, from your Operating Principal and any holder of a beneficial interest of not less than twenty percent (20%) of any class of your securities and any corporation directly or indirectly controlling you, if you are a corporation (or of any corporate general partner and any corporation directly or indirectly controlling your general partner, if you are a partnership), who has received or will receive confidential information or training from Dickey's. Failure by you to obtain execution of the covenants required by this Article 18.7 shall constitute an event of default under Article 16.

ARTICLE 19. TAXES, PERMITS AND INDEBTEDNESS

1. You shall promptly pay when due all taxes levied or assessed, including without limitation, income, unemployment and sales taxes and all accounts and other indebtedness of every kind incurred by you in the conduct of the franchised business.

2. You shall pay to Dickey's an amount equal to any sales tax, gross receipts tax, excise tax or any similar license or tax, directly or indirectly imposed on Dickey's with respect to any payment to Dickey's required under this Agreement. The preceding sentence shall not apply to any franchise tax or

income, war profits or excess profits tax (or any tax in lieu thereof), imposed on Dickey's with respect to the above payments.

3. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law; however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the premises of the franchised business or any improvements thereon.

4. You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the franchised business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, alcoholic beverage permits and licenses, and certificates of occupancy.

5. You shall notify Dickey's in writing within five (5) days of the commencement of any action, suit or proceeding or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

ARTICLE 20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

20.1 NO FIDUCIARY RELATIONSHIP. The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, employer, joint employer or servant of the other for any purpose.

20.2 OWNER/OPERATOR IS AN INDEPENDENT CONTRACTOR. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from Dickey's. You agree to take such action as shall be necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content and form of which Dickey's reserves the right to specify in the Manuals or otherwise in writing.

20.3 NO AUTHORITY TO BIND DICKEY'S. You and your Principals understand and agree that nothing in this Agreement authorizes you or your Principals to make any contract, agreement, warranty or representation on Dickey's behalf, or to incur any debt or other obligation in Dickey's name; and that Dickey's shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Dickey's be deemed liable for any act or omission of you or your Principals in the conduct of the franchised business or for any claim or judgment arising therefrom.

20.4 INDEMNITY.

1. YOU AND EACH OF YOUR PRINCIPALS SHALL, AT ALL TIMES, INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW DICKEY'S, ITS SUBSIDIARIES, AFFILIATES, SUCCESSORS AND ASSIGNS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, SERVANTS, EMPLOYEES, AGENTS, INDEPENDENT CONTRACTORS, AND REPRESENTATIVES FROM ALL "LOSSES AND EXPENSES" (AS DEFINED IN ARTICLE 20.4.5 BELOW) INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), WHICH ARISES OUT OF OR IS BASED UPON ANY OF THE FOLLOWING:

A. THE INFRINGEMENT, ALLEGED INFRINGEMENT OR ANY OTHER VIOLATION OR ALLEGED VIOLATION BY YOU OR ANY OF YOUR PRINCIPALS OF ANY PATENT, MARK OR COPYRIGHT OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES (EXCEPT AS SUCH MAY OCCUR WITH RESPECT TO ANY RIGHTS IN THE PROPRIETARY MARKS OR COPYRIGHTS GRANTED UNDER THIS AGREEMENT);

B. THE VIOLATION, BREACH OR ALLEGED VIOLATION OR BREACH BY YOU OR ANY OF YOUR PRINCIPALS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION, RULING, STANDARD OR DIRECTIVE OR ANY INDUSTRY STANDARD;

C. LIBEL, SLANDER OR ANY OTHER FORM OF DEFAMATION OF DICKEY'S OR THE SYSTEM, BY YOU OR BY ANY OF YOUR PRINCIPALS;

D. THE VIOLATION OR BREACH BY YOU OR BY ANY OF YOUR PRINCIPALS OF ANY WARRANTY, REPRESENTATION, AGREEMENT OR OBLIGATION IN THIS AGREEMENT OR IN ANY DEVELOPMENT AGREEMENT OR OTHER AGREEMENT BETWEEN YOU AND DICKEY'S OR ITS SUBSIDIARIES OR AFFILIATES; AND

E. NEGLIGENT ACTS, ERRORS OR OMISSIONS BY YOU, ANY OF YOUR SUBSIDIARIES AND AFFILIATES AND ANY OF YOUR PRINCIPALS AND YOUR OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, INDEPENDENT CONTRACTORS, SERVANTS, EMPLOYEES, AND REPRESENTATIVES AND THOSE OF YOUR SUBSIDIARIES AND AFFILIATES IN CONNECTION WITH THE ESTABLISHMENT AND OPERATION OF YOUR RESTAURANT, INCLUDING, BUT NOT LIMITED TO, NEGLIGENT ACTS, ERRORS OR OMISSIONS OF ANY OF THE FOREGOING IN THE OPERATION OF ANY DELIVERY MOTOR VEHICLE. THE PARTIES ACKNOWLEDGE AND AGREE THAT DICKEY'S CANNOT AND DOES NOT EXERCISE ANY CONTROL OVER THE MANNER OF OPERATION OF ANY DELIVERY MOTOR VEHICLES USED BY OR ON BEHALF OF ANY INDEPENDENT DELIVERY SERVICE PROVIDER REQUIRED UNDER THIS AGREEMENT OR BY OR ON BEHALF OF YOU OR ANY OF YOUR EMPLOYEES, AGENTS OR INDEPENDENT CONTRACTORS (EXCEPT, WITH RESPECT TO DELIVERY SERVICE PROVIDED BY YOU, DICKEY'S MAY REQUIRE THAT YOUR DRIVERS MEET CERTAIN MINIMUM STANDARDS) AND, THEREFORE, THAT THE SAFE OPERATION OF DELIVERY SERVICE IS THE INDEPENDENT OPERATOR'S (OR YOURS, AS APPLICABLE), SOLE RESPONSIBILITY.

2. YOU AND EACH OF YOUR PRINCIPALS AGREE TO GIVE DICKEY'S IMMEDIATE NOTICE OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. AT THE EXPENSE AND RISK OF YOU AND EACH OF YOUR PRINCIPALS, DICKEY'S MAY ELECT TO CONTROL (BUT UNDER NO CIRCUMSTANCE IS OBLIGATED TO UNDERTAKE), AND ASSOCIATE COUNSEL OF ITS OWN CHOOSING WITH RESPECT TO, THE DEFENSE AND/OR SETTLEMENT OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. SUCH AN UNDERTAKING BY DICKEY'S SHALL, IN NO MANNER OR FORM, DIMINISH THE OBLIGATION OF YOU AND EACH OF YOUR PRINCIPALS TO INDEMNIFY DICKEY'S AND TO HOLD IT HARMLESS.

3. IN ORDER TO PROTECT PERSONS OR PROPERTY, OR ITS REPUTATION OR GOODWILL, OR THE REPUTATION OR GOODWILL OF OTHERS, DICKEY'S MAY, AT ANY TIME AND WITHOUT NOTICE, AS IT IN ITS JUDGMENT DEEMS APPROPRIATE, CONSENT OR AGREE TO SETTLEMENTS OR TAKE SUCH OTHER REMEDIAL OR CORRECTIVE ACTION AS IT DEEMS EXPEDIENT WITH RESPECT TO ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR

INVESTIGATION IF, IN DICKEY'S SOLE JUDGMENT, THERE ARE REASONABLE GROUNDS TO BELIEVE THAT:

A. ANY OF THE ACTS OR CIRCUMSTANCES IN ARTICLE 20.4.1 ABOVE HAVE OCCURRED; OR

B. ANY ACT, ERROR OR OMISSION AS DESCRIBED IN ARTICLE 20.4.1.E MAY RESULT DIRECTLY OR INDIRECTLY IN DAMAGE, INJURY OR HARM TO ANY PERSON OR ANY PROPERTY.

4. ALL LOSSES AND EXPENSES INCURRED UNDER THIS ARTICLE 20 SHALL BE CHARGEABLE TO AND PAID BY YOU OR ANY OF YOUR PRINCIPALS PURSUANT TO YOUR OBLIGATIONS OF INDEMNITY UNDER THIS ARTICLE, REGARDLESS OF ANY ACTION, ACTIVITY OR DEFENSE UNDERTAKEN BY DICKEY'S OR THE SUBSEQUENT SUCCESS OR FAILURE OF SUCH ACTION, ACTIVITY OR DEFENSE.

5. AS USED IN THIS ARTICLE 20, THE PHRASE "LOSSES AND EXPENSES" SHALL INCLUDE, WITHOUT LIMITATION, ALL LOSSES, COMPENSATORY, EXEMPLARY OR PUNITIVE DAMAGES, FINES, CHARGES, COSTS, EXPENSES, LOST PROFITS, LEGAL FEES, COURT COSTS, SETTLEMENT AMOUNTS, JUDGMENTS, COMPENSATION FOR DAMAGES TO DICKEY'S REPUTATION AND GOODWILL, COSTS OF OR RESULTING FROM DELAYS, FINANCING, COSTS OF ADVERTISING MATERIAL AND MEDIA TIME/SPACE AND COSTS OF CHANGING, SUBSTITUTING OR REPLACING THE SAME, AND ANY AND ALL EXPENSES OF RECALL, REFUNDS, COMPENSATION, PUBLIC NOTICES, AND OTHER SUCH AMOUNTS INCURRED IN CONNECTION WITH THE MATTERS DESCRIBED.

6. THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE 20 DO NOT ASSUME ANY LIABILITY FOR ACTS, ERRORS OR OMISSIONS OF THOSE WITH WHOM YOU, ANY OF YOUR PRINCIPALS OR YOUR SUBSIDIARIES AND AFFILIATES MAY CONTRACT, REGARDLESS OF THE PURPOSE. YOU AND EACH OF YOUR PRINCIPALS SHALL HOLD HARMLESS AND INDEMNIFY THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE 20 FOR ALL LOSSES AND EXPENSES WHICH MAY ARISE OUT OF ANY NEGLIGENT ACTS, ERRORS OR OMISSIONS BY YOU, YOUR PRINCIPALS, YOUR SUBSIDIARIES AND AFFILIATES, YOUR OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, INDEPENDENT CONTRACTORS, SERVANTS, EMPLOYEES AND REPRESENTATIVES AND THOSE OF YOUR SUBSIDIARIES AND AFFILIATES, AND ANY SUCH THIRD PARTIES WITHOUT LIMITATION AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE NEGLIGENCE OF DICKEY'S OR ANY OTHER PARTY OR PARTIES ARISING IN CONNECTION THEREWITH, AND WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. ACCORDINGLY IT IS THE EXPRESS INTENTION THAT THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PARTY WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE OR STRICT LIABILITY OF SUCH INDEMNIFIED PARTY.

7. UNDER NO CIRCUMSTANCES SHALL THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE 20 BE REQUIRED TO SEEK RECOVERY FROM THIRD PARTIES OR OTHERWISE MITIGATE THEIR LOSSES TO MAINTAIN A CLAIM AGAINST YOU OR ANY OF YOUR PRINCIPALS. YOU AND EACH OF YOUR PRINCIPALS AGREE THAT THE FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE LOSS WILL IN NO WAY REDUCE THE AMOUNTS RECOVERABLE FROM YOU OR ANY OF YOUR PRINCIPALS BY THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE.

8. You and your Principals expressly agree that the terms of this Article 20.4 shall expressly survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE 21. GUARANTY OF YOUR PRINCIPALS

1. In consideration of the grant by Dickey's of a license and franchise to open and operate a Restaurant to Owner/Operator, pursuant to this Agreement to which this Personal Guaranty (herein so called) is made a part thereof, and for other good and valuable consideration, the undersigned, the Principals of Owner/Operator, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of this Agreement, to be paid, kept and performed by Owner/Operator.

2. The undersigned Principals, individually and jointly, hereby agree to be personally bound and obligated by each and every condition and term contained in this Agreement (specifically including, without limitation, the covenants set forth in Article 12 and Article 18 of the Agreement).

3. If any default should at any time be made herein by Owner/Operator, then the undersigned Principals, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise to agree to pay to Dickey's all monies due and payable to Dickey's under the terms and conditions of this Agreement.

4. In addition, if Owner/Operator fails to comply with any other terms and conditions of this Agreement, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of this Agreement for and on behalf of Owner/Operator.

5. In addition, should Owner/Operator at any time be in default on any obligation to pay monies to Dickey's or any subsidiary or affiliate of Dickey's, whether for merchandise, products, supplies, furniture, fixtures, equipment or other goods purchased by Owner/Operator from Dickey's or any subsidiary or affiliate of Dickey's, or for any other indebtedness of Owner/Operator to Dickey's or any subsidiary or affiliate of Dickey's, then the undersigned Principals, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from Owner/Operator to Dickey's or any subsidiary or affiliate of Dickey's upon default by Owner/Operator.

6. This Personal Guaranty shall survive the termination or expiration of this Agreement and/or any other collateral agreement(s) or any determination that this Agreement or any portion of it is void or voidable.

7. It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of Dickey's.

8. Except as precluded by applicable law (including, without limitation, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J)), each of the undersigned Principals hereby submits to personal jurisdiction exclusively in the state and federal courts of the State of Texas with respect to any litigation, action or proceeding pertaining to this Personal Guaranty or this Agreement, and agrees that all such litigation will and must be venued in Dallas, Texas.

10.9. The undersigned Principals certify that the following information for each of the Principals (each officer, director, owner, shareholder, member and partner of Owner/Operator), including spouses with ownership, is true and correct.

Principal's Name (Full Legal Name)	Title	Principal's Address and Telephone No.	% Ownership
1.			
2.			
3.			
4.			

ARTICLE 22. APPROVALS, WAIVERS AND REMEDIES

22.1 PRIOR APPROVAL OR CONSENT OF DICKEY'S. Whenever this Agreement requires the prior acceptance, approval or consent of Dickey's, you shall make a timely written request to Dickey's and such acceptance, approval or consent shall be obtained in writing.

22.2 NO WARRANTIES OR GUARANTIES. Dickey's makes no warranties or guarantees upon which you or your Principals may rely, and assumes no liability or obligation to you, your Principals or any third party to which it would not otherwise be subject, by providing any waiver, acceptance, approval, consent or suggestion to you or your Principals in connection with this Agreement, or for any neglect, delay or denial of any request therefor.

22.3 EFFECT OF DELAY, WAIVER, OMISSION OR FORBEARANCE. No delay, waiver, omission or forbearance by Dickey's to exercise any right, option, duty or power arising out of any breach or default by you or your Principals under this Agreement shall constitute a waiver by Dickey's to enforce any such right, option, duty or power against you or your Principals, or as to a subsequent breach or default by you or your Principals. Subsequent acceptance by Dickey's of any payments due to it hereunder shall not be deemed to be a waiver by Dickey's of any preceding breach by you or your Principals of any terms, provisions, covenants or conditions of this Agreement.

22.4 RIGHTS AND REMEDIES CUMULATIVE. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one (1) or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient, and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement shall not discharge or release you or any of your Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or earlier termination of this Agreement.

ARTICLE 23. FORCE MAJEURE

1. As used in this Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government, and any other similar cause not within the control of the affected party.

2. Except as provided in Article 16.1, if the performance of any obligation by any party under this Agreement is prevented, hindered or delayed because of Force Majeure, which cannot be overcome by use of normal commercial measures, the parties shall be relieved of their respective obligations to the extent the parties are respectively necessarily prevented, hindered or delayed in such performance during the period of such Force Majeure; provided, that you shall continue to be obligated to perform all of your monetary obligations under this Agreement. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party by telephone or facsimile, (in each case to be confirmed in writing), setting forth the nature of the event, an estimate as to its duration and a plan for resuming compliance with this Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give such timely notice only to the extent of damage actually caused.

ARTICLE 24. NOTICES

1. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile, telegram or telex, (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Dickey's shall be sent to:

4514 Cole Avenue, Suite 1100
Dallas, Texas 75205

Attn: Roland Dickey, Jr., President, Dickey's Barbecue Restaurants, Inc.,
Facsimile: 972-248-8667
Telephone: 972-248-9899

Notices to you shall be sent to: the address set forth on page 1 of this Agreement.

Attn: _____
Facsimile: _____
Telephone: _____

2. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, telegram or telex, upon transmission, (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing. Any change in the above addresses shall be made by giving fifteen (15) days written notice of the change to the other party.

ARTICLE 25. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, the attachments hereto, and any addendums constitute the entire, full and complete Agreement between Dickey's, you and your Principals concerning the subject matter hereof and shall supersede all prior related agreements between Dickey's, you and your Principals, no other representations having induced you to execute this Agreement. Except for those permitted to be made unilaterally by Dickey's hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by Dickey's and you and executed by their authorized officers or agents in writing.

ARTICLE 26. SEVERABILITY AND CONSTRUCTION

26.1 SEVERABILITY. Except as expressly provided to the contrary herein, each portion, article, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any article, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, such other portions, articles, parts, terms and provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and the invalid portions, articles, parts, terms and provisions shall be deemed not to be a part of this Agreement.

26.2 NO ADDITIONAL RIGHTS OR REMEDIES. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or entity other than you, Dickey's, Dickey's officers, directors and personnel and Dickey's and your respective successors and assigns as may be contemplated and authorized by Article 15, any rights or remedies under or as a result of this Agreement.

26.3 CONSTRUCTION. You and your Principals expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Dickey's is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

1. All captions in this Agreement are intended solely for the convenience of all parties and none shall be deemed to affect the meaning or construction of any provision of this Agreement,

2. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by your Principals hereunder, all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of your Principals.

3. Unless otherwise agreed to in writing between the parties, the term "Principal(s)" as used in this Agreement shall include, collectively or individually, your spouse, if you are an individual; all officers and directors of, and holders of a beneficial interest of twenty percent (20%) or more of any class of your securities and those of any corporation directly or indirectly controlling you, if you are a corporation; and your general partners and the officers and directors of, and holders of a beneficial interest of twenty percent (20%) or more of any class of securities of a corporate general partner and any corporation which controls, directly or indirectly, any general partner, if you are a partnership. The Operating Principal shall be one of your Principals.

4. Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other similar entity or organization. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors and officers, as applicable, in the case of a limited liability company or any other similar entity or organization.

26.4 COUNTERPARTS. This Agreement may be executed in counterparts, and each copy so executed shall be deemed an original.

26.5 EFFECTIVE DATE. This Agreement shall not become effective until signed by the Chairman of the Board, Chief Executive Officer, or the President of Dickey's.

ARTICLE 27. APPLICABLE LAW, MEDIATION, ARBITRATION, COURT ACTIONS

27.1 MEDIATION. The parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation prior to filing such claim, controversy or dispute in a court. The mediation shall be conducted through either an individual mediator or a mediator appointed by a mediation services organization or body, experienced in the mediation of disputes in the food service business, agreed upon by the parties and, failing such agreement, within a reasonable period of time after either party has notified the other of its desire to seek mediation of any claim, controversy or dispute (not to exceed fifteen (15) days), through the American Arbitration Association ("AAA") in accordance with its rules governing mediation, at Dickey's corporate headquarters in Dallas, Texas. The costs and expenses of mediation, including compensation and expenses of the mediator, shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been appointed, then either party may submit such claim, controversy or dispute to binding arbitration in accordance with Article 27.2 below. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 27.1 SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

27.2 AMERICAN ARBITRATION ASSOCIATION. Subject only to Article 27.1 and 26.3, 27.2, all disputes, controversies, claims, causes of action and/or alleged breaches or failures to perform (collectively, "Disputes") arising between the parties in connection with, or arising from, or with respect to (1) any provision of this Agreement or any other agreement related to this Agreement between the parties; (2) the relationship of the parties; (3) the validity of this Agreement or any other agreement between the parties, or any provision thereof; or (4) any specification, standard or operating procedure relating to the establishment or operation of the franchised business, which shall not be resolved through mediation in accordance with paragraph 26.1 shall be submitted for binding arbitration to the office of the AAA located in Dallas, Texas, on demand of either party. Such arbitration proceedings shall be conducted in Dallas, Texas, and except as otherwise provided in this Agreement, shall be conducted in accordance with the then current commercial arbitration rules of the AAA. The arbitrator(s) shall have the right to award or include in their award any relief which they deem proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the due date), specific performance and injunctive relief. Provided, that, to the fullest extent permitted by law, the parties stipulate and agree that the arbitrators shall not provide for, and no arbitration award shall include, any punitive or exemplary damages, all of which are hereby waived by the parties. The award and decision of the arbitrator(s) shall be conclusive and binding upon all parties and adjustment may be taken on the award notwithstanding the termination or expiration of this

Agreement. Dickey's and you agree that arbitration shall be conducted on an individual, not a class-wide basis. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 27.2 SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

27.3 JURISDICTION. Notwithstanding the foregoing, Dickey's may bring an action (1) for monies owed, (2) for injunctive relief or other extraordinary relief, or (3) involving the possession or disposition of, or other relief relating to real property in a court having jurisdiction and without first submitting such action to mediation or arbitration. With respect to any such action, you hereby irrevocably submit yourself to the nonexclusive jurisdiction of the state courts of Dallas County, Texas and the federal district court for the Northern District of Texas, Dallas Division. You hereby irrevocably agree that service of process may be made upon you in any legal proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Texas or federal law. Venue for any legal proceeding relating to or arising out of this agreement shall be Dallas County, Texas; provided, however, Dickey's may bring such action in any state or federal district court which has jurisdiction. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. With respect to all Disputes, this Agreement shall be interpreted and construed under Texas law. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 27.3 SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

27.4 APPLICABLE STATE LAW. You and Dickey's acknowledge that the parties' agreement regarding applicable state law and forum set forth in Article 27.3 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. You and Dickey's further acknowledge the receipt and sufficiency of mutual consideration for such benefit. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 27.4 SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

27.5 VENUE. You and Dickey's acknowledge that the execution of this Agreement occurred in Dallas, Texas and further acknowledge that the performance of certain of your obligations arising under this agreement, including but not limited to the payment of monies due hereunder and the satisfaction of certain training requirements of Dickey's, shall occur in Dallas, Texas. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE ~~27.5~~^{27.1} SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

ARTICLE 28. ACKNOWLEDGMENTS

28.1 COMPLETION OF INDEPENDENT INVESTIGATION. You acknowledge that you have conducted an independent investigation of the franchised business and recognize that the business venture contemplated by this Agreement involves business risks and that its success will largely depend upon your ability, effort, and resources. Dickey's expressly disclaims making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have completed and submitted to Dickey's the Owner/Operator Questionnaire, in the form of Attachment B, and that your responses were truthful and well considered.

28.2 RECEIPT OF AGREEMENT AND DISCLOSURE DOCUMENT. You acknowledge that you received a copy of the complete Franchise Disclosure Document from Dickey's at least fourteen (14)

calendar days prior to the date on which this Agreement was executed. You acknowledge that you received a copy of the complete Dickey's Franchise Agreement and the related attachments and agreements in the form executed by you at least seven (7) calendar days prior to the date on which this Agreement was executed.

28.3 REVIEW OF AGREEMENT. You acknowledge that you have read and understood this Agreement and the related attachments and agreements and that Dickey's has provided you ample time and opportunity to consult with advisors of your own choosing about the content of the Agreement and the potential benefits and risks of entering into this Agreement.

28.4 AUTHORIZATION TO CONDUCT INVESTIGATION. You acknowledge that, in order to enable Dickey's to evaluate your application to acquire the license and franchise herein granted, you have authorized Dickey's and its agents and representatives to conduct such investigations concerning you and your Principals as Dickey's deems necessary, in its sole discretion, including, without limitation, credit reports and references, financial and personal references and civil and criminal references.

ARTICLE 29. STATE-SPECIFIC PROVISIONS

29.1 STATE SPECIFIC PROVISIONS CONTROL. You acknowledge that the laws of various states which may have jurisdiction over you may modify certain of your rights and obligations hereunder, and the laws of such states shall control any contrary provisions in this Agreement only to the extent applicable to the matters set forth in this Franchise Agreement and only to the extent required pursuant to such laws. You further acknowledge that in this Article 29 are various state specific modifications to this Agreement which shall apply only if applicable to you and your Restaurant. The following provisions (if any and as applicable) amend and revise certain provisions of this Agreement. To the extent any provision below is deemed to be inconsistent with any terms or conditions of this Agreement or the exhibits and attachments thereto, the terms of the below provisions will govern. All other terms and conditions of this Agreement will remain the same.

29.2 PROVISIONS APPLICABLE UNDER MINNESOTA LAW.

1. To the extent required under applicable Minnesota law, this Agreement will be amended to require that in the event Dickey's provides Owner/Operator with written notice that Owner/Operator has breached this Agreement, such written notice will be provided to Owner/Operator at least ninety (90) days prior to the date this Agreement is terminated or cancelled by Dickey's, and Owner/Operator will have sixty (60) days after receipt of such written notice within which to correct the breach specified in the written notice; provided that such notice shall be effective immediately upon receipt for the applicable grounds of termination or cancellation specified in Minn. Stat. 80C.14, Subd. 3(a).

2. Notwithstanding any provisions of this Agreement to the contrary, to the extent required under applicable Minnesota law, a court of competent jurisdiction will determine whether Dickey's will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Dickey's against Owner/Operator, the Owner/Operator's shareholders or the guarantors of this Agreement.

3. To the extent required under applicable Minnesota law, the applicable provisions of this Agreement are hereby amended in accordance with the following:

~~MINNESOTA STATUTES, SECTION 80C.21 AND MINNESOTA RULE 2860.1400(J) PROHIBIT THE FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING A WAIVER OF A JURY TRIAL, OR REQUIRING THE FRANCHISEE TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION~~

~~PENALTIES OR JUDGMENT NOTES. IN ADDITION, NOTHING IN THE OFFERING CIRCULAR 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 THE JURISDICTION.~~

~~WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINN. STAT. SEC. 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT.~~

~~Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400d prohibits Dickey's from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~

~~FRANCHISOR WILL PROTECT FRANCHISEE'S RIGHT TO USE THE TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGO TYPES OR OTHER COMMERCIAL SYMBOLS OR INDEMNIFY THE FRANCHISEE FROM ANY LOSS, COST OR EXPENSE ARISING OUT OF ANY CLAIM, SUIT OR DEMAND REGARDING THE USE OF THE NAME.~~

[SIGNATURE PAGE FOLLOWS]

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

DICKEY'S:

DICKEY'S BARBECUE RESTAURANTS, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

YOU:

By: _____
Name: _____
Title: _____

PRINCIPALS:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTACHMENT A

**AUTHORIZATION AGREEMENT FOR
PREAUTHORIZED PAYMENTS
(ACH DEBITS)**

COMPANY NAME:	TAX ID NO.
----------------------	-------------------

I (we) hereby authorize Dickey's Barbecue Restaurants, Inc., hereinafter called "Company", to initiate debit entries from my ☐ Checking ☐ Savings Account (check one) indicated below and the depository named below, hereinafter called "Depository", to debit the same to such account

DEPOSITORY NAME:		BRANCH:
STATE:	STATE:	ZIP CODE:
TRANSIT/ABA NO.	ACCOUNT NUMBER:	

This authority is to remain in full force and effect until Company has received notification from me (or either of us) of its termination in such time and in such manner as to afford Company and Depository a reasonable opportunity to act on it.

NAME(S):	ID NO.:
SIGNED:	DATE:

ATTACHMENT B

OWNER/OPERATOR QUESTIONNAIRE

Dickey's Barbecue Restaurants, Inc., a Texas corporation ("Dickey's") and you are preparing to enter into a Franchise Agreement for the operation of a Dickey's® Barbecue Pit restaurant (the "Franchise"). The purpose of this Questionnaire (herein so called) is to determine whether any statements or promises were made to you that Dickey's has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

1. Have you received and personally reviewed Dickey's Franchise Disclosure Document (the "Disclosure Document") provided to you?
Yes _____ No _____
2. Did you sign a receipt for the Disclosure Document indicating the date you received it?
Yes _____ No _____
3. Do you understand the information contained in the Disclosure Document?
Yes _____ No _____
4. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?
Yes _____ No _____
5. Please insert the date on which you received a copy of the Franchise Agreement (with all material blanks fully completed): _____
6. Do you understand your financial and other obligations under the Franchise Agreement?
Yes _____ No _____
7. Have you independently discussed the economic and business risks of owning and operating the Franchise with an attorney, accountant or other professional advisor?
Yes _____ No _____
8. Do you understand the economic and business risks associated with operating the Franchise?
Yes _____ No _____
9. Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, the service you provide to your customers, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, real estate and the marketplace?
Yes _____ No _____

10. Do you understand and agree that no financial performance representation has been made by Dickey's in the Disclosure Document (including with regard to the performance of its franchised outlets or company-owned outlets and the potential performance of your outlet), that Dickey's does not make any such representations, and that Dickey's, its employees and other persons speaking on behalf of Dickey's have not made any such representations?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of Dickey's made any statement or promise to you or anyone else regarding the amount of money you may earn in operating the Franchise?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of Dickey's made any statement or promise to you or anyone else concerning the total revenues the Franchise may generate?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of Dickey's made any statement or promise to you or anyone else regarding the costs involved in operating the Franchise that are contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of Dickey's made any statement or promise to you or anyone else concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect from operating the Franchise?

Yes _____ No _____

15. Has any employee or other person speaking on behalf of Dickey's made any statement or promise to you or anyone else, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

16. If you answered "Yes" to any of the questions 11 through 15, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below). If you answered "No" to each of the foregoing questions, please leave the following lines blank.

[SIGNATURE PAGE FOLLOWS]

FRANCHISE AGREEMENT

W:\4266\033\STATES\Minnesota\Renewal-Sept'2008\Version-2\2008 Franchise Agreement.doc

Attachment B

State of

Minnesota

0804-2009

Final: 09-03-

You understand that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

Further, by signing this Questionnaire, you agree that Dickey's has properly provided you with all of the appropriate franchise disclosures and has not made any financial claims or representations to you. You agree to hold harmless and release Dickey's and its affiliates, shareholders, officers, directors, agents, attorneys, successors and assigns from any and all liability in connection with the sale of the franchise to the extent that any statement or representation made herein is determined to be false and misleading and to the extent permitted under applicable law.

OWNER/OPERATOR

OWNER/OPERATOR

PRINT NAME

PRINT NAME

DATE

DATE

ATTACHMENT C

CONSENT AND RELEASE FOR TRAINING

The undersigned is an owner/operator of Dickey's Barbecue Restaurants, Inc., a Texas corporation ("Dickey's"), a principal of a Dickey's owner/operator or a manager of a Dickey's restaurant operated by a Dickey's owner/operator who is commencing training. As part of such training, the undersigned may visit, inspect, train and work in one or more of the Dickey's restaurants owned or operated by Dickey's, Dickey's Barbecue Pit, Inc., a Texas corporation, their affiliates or by one or more Dickey's owner/operators. As an inducement to cause the owner of such restaurant to permit the undersigned to visit, inspect, train and work in such restaurant, THE UNDERSIGNED HEREBY WAIVES, RELEASES AND AGREES TO INDEMNIFY AND HOLD HARMLESS DICKEY'S BARBECUE RESTAURANTS, INC., DICKEY'S BARBECUE PIT, INC., THE OWNER(S) OF SUCH RESTAURANT(S), AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, AFFILIATES, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, INJURY, DAMAGE, COST AND EXPENSE SUFFERED OR INCURRED BY THE UNDERSIGNED AS A RESULT OF ANY SUCH VISIT, INSPECTION, TRAINING OR WORK. IT IS ACKNOWLEDGED THAT THE FOREGOING RELEASE AND INDEMNITY IS INTENDED TO BE AS BROAD AND COMPREHENSIVE AS PERMITTED BY LAW, AND INCLUDES LIABILITY, COST, DAMAGE, INJURY, COST AND EXPENSE SUFFERED AS A RESULT OR PARTLY AS A RESULT OF ANY NEGLIGENCE, ERROR OR OMISSION BY THE PARTIES SO RELEASED AND INDEMNIFIED. The undersigned further represents that he has independently obtained or is covered by adequate insurance to cover the risk of loss or injury.

DATE

SIGNATURE

Document comparison done by Workshare DeltaView on Wednesday, September 23, 2009 4:59:42 PM

Input:

Document 1	file://W:/4266/033/STATES/Minnesota/Renewal-Sept'2008A/ersion-2/2008 Franchise Agreement.doc
Document 2	file://W:/4266/033/STATES/Minnesota/Renewal-Sept'2009/2009 Franchise Agreement.doc
Rendering set	Standard

Legend:

Insertion

~~Deletion~~

~~Moved from~~

Moved to

Style change

Format change

~~Moved deletion~~

Inserted cell

Deleted cell

Moved cell

Split/Merged cell

Padding cell

Statistics:

	Count
Insertions	163
Deletions	157
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	332

DICKEY'S BARBECUE RESTAURANTS, INC.

DEVELOPMENT AGREEMENT



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ATTACHMENT A – Franchise Agreement

ATTACHMENT B – Statement of Ownership Interests

DICKEY'S BARBECUE RESTAURANTS, INC.

DEVELOPMENT AGREEMENT

Developer	
Street	
City	
State	Zip
Phone Number	
Facsimile Number	
E-mail Address	
Date of this Agreement	

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into by and between Dickey's Barbecue Restaurants, Inc., a Texas corporation (hereinafter referred to as "Dickey's") and the Developer written in above (hereinafter referred to as "you").

RECITALS

WHEREAS, Dickey's has acquired the right to develop and as a result of the expenditure of time, skill, effort and money has developed, a unique and distinctive system relating to the establishment and operation of restaurants under the mark Dickey's Barbecue Pit, which specializes in the sale of freshly-prepared, authentic, barbecued meats and other products (the "System");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme and furnishings; special recipes and menu items; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which may be changed, improved and further developed by Dickey's from time to time;

WHEREAS, Dickey's identifies the System by means of certain trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin, including, but not limited to, the mark "Dickey's Barbecue Pit" and such other trade names, service marks and trademarks as Dickey's may develop in the future to identify for the public the source of services and products marketed under these marks and under the System and representing the System's high standards of quality, appearance and service (collectively, the "Proprietary Marks"); and

WHEREAS, you wish to obtain the right to develop Dickey's Barbecue Pit restaurants (the "Restaurants" or "Franchised Businesses") under the System within the geographic territory described in this Agreement, under the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1.
GRANT**

A. Dickey's hereby grants to you and you hereby accept, pursuant to the terms and conditions of this Agreement, the right and obligation to develop Restaurants solely within the geographic area described below (the "Territory"), such development rights to be exercised pursuant to Article 3.A and in accordance with the development schedule in Article 3.B (the "Development Schedule").

The Territory shall be:

B. Except as otherwise provided in this Agreement and any Franchise Agreement (as hereinafter defined) between you and Dickey's, and subject to your full compliance with this Agreement, Dickey's shall not establish or authorize any other person or entity, other than you, to establish, a Restaurant in the Territory during the term of this Agreement. Dickey's, and any Dickey's owner/operator and any other authorized person or entity may, at any time, advertise and promote the System, or fulfill customer orders (including but not limited to catering and delivery services) in the Territory, and Dickey's may offer and sell (and authorize others to offer and sell) products and services which may be similar to those offered by a Restaurant, under the proprietary marks, in the Territory, if offered and sold other than through a Restaurant (e.g., product and catalog sales through direct mailings or internet sales, pre-packaged food items through grocery stores or supermarkets, internet sales, or memorabilia or recipes through other retail outlets).

C. This Agreement is not a franchise agreement and does not grant to you any right or franchise to operate a Restaurant or any right to use or any interest in the Proprietary Marks or the System.

**ARTICLE 2.
DEVELOPMENT FEE**

A. In consideration for the development rights granted to you herein and the rights granted to you under separate Franchise Agreements, you shall pay to Dickey's, upon execution of this Agreement, a non-refundable development fee ("Development Fee") equal to \$30,000.00 plus \$10,000.00 for each Restaurant to be developed hereunder after the initial Restaurant. Pursuant to the Development Schedule set forth in Article 3.B, the total Development Fee is \$_____.

B. The Development Fee shall be applied to the initial franchise fees payable with respect to each Restaurant opened hereunder as follows:

1. For the initial Restaurant to be developed under this Agreement, \$30,000.00 of the Development Fee shall be applied to the initial franchise fee of \$30,000.00 due upon execution of the Franchise Agreement for the initial Restaurant.

2. For each additional Restaurant to be developed under this Agreement, \$10,000.00 of the Development Fee shall be applied to the franchise fee due upon the execution of each applicable Franchise Agreement (each a "Subsequent Franchise Fee"). So long as you develop Restaurants in accordance with the timetable and otherwise comply with the terms and conditions of this Agreement, the amount of the Subsequent Franchise Fee for each Restaurant

shall be \$10,000.00 (it being understood that the initial franchise fee for the first Restaurant shall be equal to \$30,000.00). If you do not develop Restaurants in accordance with the timetable or you do not otherwise comply with the terms and conditions of this Agreement, and provided that Dickey's remains willing, in its sole discretion, to continue to grant you franchises, the amount of the Subsequent Franchise Fee shall be \$30,000.00, and the balance shall be paid out of your separate funds.

C. All franchise fees shall be nonrefundable except as otherwise provided in any Franchise Agreement (as defined in Article 3.A below).

ARTICLE 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. You shall exercise the development rights granted hereunder only by entering into a separate franchise agreement ("Franchise Agreement") with Dickey's for each Restaurant for which a development right is granted. Dickey's current form of Franchise Agreement is attached as Attachment A. Upon execution of this Agreement, you shall execute and deliver a Franchise Agreement for the first Restaurant to be developed hereunder. You shall additionally execute the form of Franchise Agreement then being used by Dickey's for new owner/operators operating under the System, with respect to each subsequent Restaurant developed hereunder, not later than one (1) year prior to the projected opening date of the applicable Restaurant. These subsequent forms of Franchise Agreements shall also be included in the term "Franchise Agreements," as used herein.

B. 1. Acknowledging that time is of the essence, you agree to exercise your development rights according to Article 3.A and according to the Development Schedule below, which schedule designates the number of Restaurants in the Territory to be established and in operation by you upon the expiration of each of the designated development periods (the "Development Periods"):

Expiration Date of Development Period	Cumulative Total Number of Restaurants Located in the Territory Which Developer Shall Have Open and in Operation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

During any of the Development Periods set forth above, subject to the terms and conditions of this Agreement, you may develop more than the total minimum number of Restaurants, which you are required to develop during that Development Period. Any Restaurants developed during a Development Period in excess of the minimum number of Restaurants required to be developed upon expiration of that Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period, if any. Notwithstanding the above, you are not authorized to operate within the Territory more than the cumulative total number of Restaurants you are obligated to develop under this Agreement as set forth above in the Development Schedule without the prior written approval of Dickey's.

2. If during the term of this Agreement, you cease to operate any Restaurant developed under this Agreement, you shall develop a replacement Restaurant to fulfill your obligation to have open and in operation the required number of Restaurants upon the expiration of each Development Period. The replacement Restaurant shall be developed within a reasonable time to be agreed upon by the parties after you cease to operate the Restaurant to be replaced. If during the term of this Agreement you, in accordance with the terms of any Franchise Agreement for a Restaurant developed under this Agreement, transfer your interest in such Restaurant, the transferred Restaurant shall continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a Dickey's Barbecue Pit restaurant under a Dickey's franchise agreement and the transferee is in good standing and not in default thereunder. If the transferred Restaurant ceases to be operated as a Dickey's Barbecue Pit restaurant during the term of this Agreement, or if the transferee defaults under its franchise agreement, you shall develop a replacement Restaurant within a reasonable time to be agreed upon by the parties. In either case, the reasonable time period shall, subject to Dickey's consent, extend the term of the applicable Development Period to the end of the mutually agreed upon time period; provided, however, that in no event shall such time period or extension exceed six (6) months.

3. At the end of each Development Period, you shall provide Dickey's with written notice of the projected opening date of each Restaurant required to be developed during the next Development Period.

4. Failure by you to adhere to the Development Schedule or to any time period for the development of replacement Restaurants as set forth in Article 3.B.2 shall constitute an event of default under this Agreement.

ARTICLE 4. TERM

Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Dickey's under this Agreement shall expire on the date on which you successfully and in a timely manner have exercised all of the development rights and completed the development obligations under this Agreement in accordance with the Development Schedule (including, if applicable, Article 3.B.2). Following termination of this Agreement, Dickey's shall have the right to establish or license others to establish further Restaurants and operate additional Dickey's restaurants in the Territory so long as the location of such restaurants does not infringe upon the protected territory of your Restaurants as set forth in the Franchise Agreements relating to your Restaurants.

**ARTICLE 5.
YOUR DUTIES**

You make the following representations, warranties and covenants and accept the following obligations:

- A. You shall comply with all terms and conditions set forth in this Agreement.
- B. 1. If you are a corporation, limited liability company, or a partnership, you represent, warrant and covenant that:
- a. You are duly organized and validly existing under the state law of its formation;
 - b. You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;
 - c. Your corporate charter or written partnership agreement shall at all times provide that your activities include the development and operation of Dickey's Barbecue Pit Restaurants;
 - d. The execution of this Agreement and the performance of the transactions contemplated hereby are within your corporate power if you are a corporation or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;
 - e. If you are a corporation, copies of your articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates or other documents as may be reasonably required by Dickey's shall be furnished to Dickey's prior to the execution of this Agreement; if you are a limited liability company, copies of your articles of organization, regulations, other governing documents, any amendments thereto, restrictions of your managers authorizing entry into and performance of this Agreement, and any certificates or other documents as may be reasonably required by Dickey's shall be furnished to Dickey's prior to Dickey's execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to Dickey's prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;
 - f. If you are a corporation, limited liability company, or partnership, the ownership interests are accurately and completely described in Attachment B. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities; if you are a limited liability company, you shall maintain at all times a current list of all members of record; or, if you are a partnership, you shall maintain at all times a current list of all owners of an interest in the partnership. You shall make your list of owners available to Dickey's upon request;
 - g. If any of your officers, managers or directors cease to serve as such or any individual is elected as an officer, manager or director after the execution of this Agreement, you shall notify Dickey's within five (5) days after any such change and any

newly elected officer, manager or director shall execute this Agreement as one of your Principals (as defined in Article 13.E) and shall be individually bound by all obligations of your Principals under this Agreement;

h. If you are a corporation or limited liability company, you shall maintain stop-transfer instructions against the transfer on your records of any of your equity securities and each certificate representing stock of the corporation or a membership interest in the company shall have conspicuously endorsed upon it a statement in a form satisfactory to Dickey's that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Article 5.B.1.h shall not apply to the transfer of equity securities of a publicly-held corporation or company (as defined in Article 7.B). If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held subject to all restrictions imposed upon assignments by this Agreement;

i. You and, at Dickey's request, each of your Principals have provided Dickey's with their most recent financial statements. Such financial statements present fairly the financial position of you and each of your Principals, as applicable, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above has been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements of you or such Principals.

j. You and your Principals acknowledge and agree that the representations, warranties and covenants set forth above in Article 5.B.1 are continuing obligations of you and that any failure to comply with such representations, warranties and covenants shall constitute an event of default under this Agreement, you agree that you will cooperate with Dickey's in any efforts made by Dickey's to verify compliance with such representations, warranties and covenants.

2. Upon the execution of this Agreement, you shall designate and retain an individual to serve as the Operating Principal of you (the "Operating Principal"). The Operating Principal shall, during the entire period he serves as such, devote full time and best efforts to the supervision and performance of the development activities contemplated under this Agreement, shall execute this Agreement as one of your Principals, shall be individually, jointly and severally bound by all obligations of you and your Principals hereunder, and shall be authorized to represent you and enter into agreements and undertakings on your behalf. You shall provide Dickey's with prior written notice of any change in your Operating Principal.

3. If you execute a Development Agreement for three (3) or more Restaurants, notwithstanding anything contained herein which may be to the contrary, you may designate multiple Operating Principals.

4. You understand that compliance by all developers and owner/operators operating under the System with Dickey's training, development and operational requirements is an essential and material element of the System and that Dickey's and developers and owner/operators operating under the System consequently expend substantial time, effort and expense in training management personnel for the development and operation of their respective

Dickey's Barbecue Pit restaurants. Accordingly, you agree that if during the term of this Agreement, you shall designate as your Operating Principal any individual who is at the time or was at any time during the six (6) months prior to your engagement in a managerial position by Dickey's or any of its subsidiaries or affiliates, including but not limited to, individuals employed by Dickey's to work in its Dickey's Barbecue Pit restaurants, or by any other developer or owner/operator operating under the System, such former employer shall be entitled to be compensated for the reasonable costs and expenses, of whatever nature or kind, incurred by such employer related to training such employee. The parties agree that such expenditures may be uncertain and difficult to ascertain and, therefore, agree that the compensation specified herein reasonably represents such expenditures and is not a penalty. An amount equal to the annual compensation of such employee at the time of the termination of his employment with the former employer shall be paid by you to such former employer prior to such employee assuming the position of Operating Principal. The parties expressly acknowledge and agree that no current or former employee of Dickey's, its subsidiaries or affiliates or any developer or owner/operator under the System shall be a third party beneficiary of this Agreement or any provision hereof. Dickey's expressly disclaims any representations and warranties regarding the performance of any employee or former employee of Dickey's, its subsidiaries or affiliates, or any developer or owner/operator operating under the System, who is designated as Operating Principal or employed by you in any capacity, and Dickey's shall not be liable for any losses, of whatever nature or kind, incurred by you in connection therewith.

5. You and each of your Principals shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, another person, persons, partnership, association or corporation any confidential information, knowledge or know-how concerning the methods of development and operation of the Restaurants which may be communicated to you or any of your Principals or of which they may be apprised under this Agreement. You and each of your Principals shall disclose such confidential information only to your Principals and your personnel who must have access to it in connection with their employment with you. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which Dickey's communicates to you or your Principals shall be deemed confidential for the purposes of this Agreement. Neither you nor your Principals shall at any time, without Dickey's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Article 5.B.5 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of your Principals.

a. Your Operating Principal and each of your Principals are hereby bound and personally obligated to comply with the foregoing covenant.

b. You and your Principals acknowledge that any failure to comply with the requirements of this Article 5.B.5 shall constitute an event of default under this Agreement and will cause Dickey's irreparable injury. Therefore, you and your Principals agree to pay all court costs and reasonable legal fees incurred by Dickey's in obtaining specific performance, injunctive relief or any other remedy available to Dickey's for any violation of the requirements of such article.

6. You shall comply with all requirements of federal, state and local laws, rules and regulations.

ARTICLE 6. DEFAULT, TRANSFER AND TERMINATION

A. Except as provided in Article 6.J, you shall be deemed to be in default under this Agreement and all rights granted herein shall automatically terminate without notice to you (1) if you become insolvent or make a general assignment for the benefit of creditors or file a voluntary petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state or admit in writing your inability to pay your debts when due; or (2) if you are adjudicated bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state, without further possibility of appeal or review; or (3) if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you, or if a receiver or other custodian permanent or temporarily of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or (4) if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or (5) if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or (6) if you are dissolved; or (7) if execution is levied against your business or property; or (8) if suit to foreclose any lien or mortgage against the premises or equipment of such business operated hereunder or under any Franchise Agreement is instituted and not dismissed within thirty (30) days; or (9) if the real or personal property of any business operated hereunder or under any Franchise Agreement shall be sold after levy by any sheriff, marshal or constable.

B. Except as provided in Article 6.J, you shall be deemed to be in default and Dickey's may, at its option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default except as provided below, effective immediately upon written notice to you, upon the occurrence of any of the following events of default:

1. If you fail to timely pay Development Fees, timely comply with the Development Schedule, timely execute Franchise Agreements and pay franchise fees, timely open Restaurants, or timely open replacement Restaurants in accordance with Article 3 hereof (and time is hereby stipulated to be of the essence);

2. If you or any of your Principals is convicted of, or shall have entered a plea of nolo contendere to, a felony, a crime involving moral turpitude or any other crime or offense that Dickey's believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Dickey's interest therein;

3. If a threat or danger to public health or safety results from the construction, maintenance or operation of any Restaurant developed under this Agreement;

4. If you fail to designate a qualified replacement Operating Principal within thirty (30) days after any initial or successor Operating Principal ceases to serve as such, all as required under Article 5.B.2;

5. If you or any of your Principals breach or fail to perform any of the representations, warranties and covenants in Article 5;

6. If a transfer or an attempt to transfer any rights or obligations under this Agreement or any interest in you to any third party is made without Dickey's prior written consent or without offering Dickey's a right of first refusal with respect to such transfer, contrary to the terms of Article 7;

7. If you or any of your Principals fail to comply with the covenants in Article 5.B.5 or 8.B or if you fail to obtain the execution of the covenants required under Article 5.B.5.a or Article 8.H. within thirty (30) days following Dickey's request that you obtain the execution of such covenants;

8. If an approved transfer upon death or permanent disability is not affected within the time period and in the manner prescribed by Article 7.E;

9. If you misuse or make any unauthorized use of the Proprietary Marks or otherwise materially impair the goodwill associated therewith or with the System or Dickey's rights therein and do not cure such default within twenty-four (24) hours following notice from Dickey's;

10. If you fail, refuse or neglect promptly to pay when due any monetary obligation owing to Dickey's or its subsidiaries or affiliates under this Agreement, any Franchise Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates, and do not cure such default within five (5) days following notice from Dickey's; or

11. If you repeatedly commit an event of default under this Agreement, whether or not such defaults have been cured by you after notice by Dickey's

C. Except as provided above in Article 6.B and Article 6.J, if you fail to comply with any other term or condition imposed by this Agreement, any Franchise Agreement or any other development or other agreement between you and Dickey's, as such may from time to time be amended, Dickey's may terminate this Agreement only by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default and curing it to Dickey's satisfaction within the thirty (30) day period and by promptly providing proof thereof to Dickey's. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall, subject to Article 6.D, terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

D. Upon default by you under Article 6.B or Article 6.C, Dickey's has the option, in its sole discretion, in addition to or in lieu of exercising its option to terminate this Agreement as provided in Article 6.B and Article 6.C, to do any one or more of the following:

1. To the extent permitted under applicable Minnesota law, realize upon, as liquidated damages and not as a penalty, the unapplied portion of the Development Fee;

2. Terminate or modify any territorial rights granted to you in Article 1.B;

3. Reduce the area of such territorial rights;

4. Reduce the number of Restaurants which you may establish pursuant to Articles 1 and 3.B.1; or

5. Accelerate the Development Schedule; or

6. Increase the amount of the Subsequent Franchise Fee.

E. 1. Upon the termination or expiration of this Agreement, you shall have no further right to establish or operate any Restaurant for which a Franchise Agreement has not been executed by Dickey's and delivered to you at the time of termination or expiration.

2. If, as a result of your default, Dickey's does not elect to terminate this Agreement but instead elects to modify such territorial rights or modify your Development Schedule, you shall continue to perform your duties and obligations hereunder and develop Restaurants in accordance with the Development Schedule as modified by Dickey's.

3. If Dickey's exercises any of its rights in Article 6.D, or if this Agreement otherwise expires or terminates, Dickey's shall be entitled to establish, and to license or permit others to establish, restaurants, or conduct any other activity, in the Territory or in the portion thereof no longer a part of the Territory or pursuant to any other modification of your territorial rights, except as may be otherwise provided under any Franchise Agreement which is then in effect between Dickey's and you.

F. Dickey's exercise of any of its lesser options under Article 6.D shall not, in the event of a default, constitute a waiver by Dickey's to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

G. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto, unless the default is also a default under the terms of such Franchise Agreement.

H. No right or remedy herein conferred upon or reserved to Dickey's is exclusive of any other right or remedy provided or permitted by law or in equity.

I. Upon termination or expiration of this Agreement regardless of the cause of such termination, you and your Principals shall comply with the restrictions on confidential information contained in Article 5.B.5 and the covenants against competition contained in Article 8.B.2. Any other person required to execute similar covenants pursuant to Articles 5.B.5.a or 8.H shall also comply with such covenants.

J. To the extent required under applicable Minnesota law, Dickey's shall not terminate or cancel this Agreement, unless (i) Dickey's has provided you with written notice setting forth all of the reasons for the termination or cancellation of this Agreement at least ninety (90) days in advance of termination or cancellation and (ii) you shall have failed to correct the reasons stated for the termination or cancellation in such notice to the satisfaction of Dickey's within sixty (60) days of receipt of the notice; except that such notice shall be effective immediately upon receipt for the following grounds for termination or cancellation:

1. Your voluntary abandonment of the franchise relationship;
2. Your conviction of an offense directly related to the business conducted pursuant to the franchised business; or
3. Your failure to cure a default under this Agreement which materially impairs the goodwill associated with Dickey's trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure of at least twenty-four (24) hours in advance thereof.

To the extent required under applicable Minnesota Law, this Article 6.J shall control and supersede any contrary terms and provisions of this Article 6.

ARTICLE 7. TRANSFER OF INTEREST

A. Transfer by Dickey's

Dickey's shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without your consent. Specifically, and without limitation to the foregoing, you expressly affirm and agree that Dickey's may sell its assets, the Proprietary Marks or

the System to a third party; may merge, acquire other entities, or be acquired by another entity or person; may undertake a refinancing recapitalization, leveraged buy out or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claim, demand or damage arising from or related to the loss of the right to develop Restaurants under the System against Dickey's under this Agreement. Nothing contained in this Agreement shall require Dickey's to remain in the business of operating or licensing the operation of Dickey's Barbecue Pit restaurants or other restaurants or to offer any services or products, whether or not bearing the Proprietary Marks, to you, if Dickey's exercises its rights hereunder to assign its rights in this Agreement.

B. Transfer by you

1. You and your Principals understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and that Dickey's has granted such rights in reliance on the business skill, financial capacity and personal character of you and your Principals. Accordingly, neither you nor any successor or assign to any part of your interest in this Agreement, nor any individual, partnership, corporation or other entity which directly or indirectly has or owns any interest in this Agreement or in you, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement or in you without the prior written consent of Dickey's; provided, however, that Dickey's prior written consent shall not be required for a transfer of less than a one percent (1%) interest in a publicly-held corporation. As used in this Agreement, a "publicly-held corporation or company" is a corporation whose securities are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of the Securities Exchange Act of 1934, as amended. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Dickey's required by this Article 7 shall be null and void and shall constitute a material event of default under this Agreement.

2. Dickey's shall not unreasonably withhold its consent to a transfer of any interest in you or in this Agreement. Dickey's may, however, in its sole discretion, and to the extent permitted by applicable Minnesota law, require some or all of the following as conditions of its approval to any such transfer:

a. All of your accrued monetary and other outstanding obligations to Dickey's and its subsidiaries and affiliates arising under this Agreement or any Franchise Agreement or other agreement between you and Dickey's or its subsidiaries or affiliates shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

b. You are not in default of any provision of this Agreement or any Franchise Agreement or any other agreement between you and Dickey's or its subsidiaries or affiliates;

c. The transferor and its Principals, as applicable, shall have executed a general release, in a form prescribed by Dickey's, of any and all claims of transferor, of whatever nature or kind, against Dickey's and its subsidiaries and affiliates and their respective officers, directors, shareholders, partners, employees, servants, representatives and agents, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any Franchise Agreement and any other agreement between you and Dickey's or its subsidiaries or affiliates and federal, state and local laws, rules and ordinances;

d. The transferee shall enter into a written agreement, in a form prescribed by Dickey's, assuming full, unconditional joint and several liability for and agreeing to

perform from the date of the transfer, all obligations, covenants and agreements of you in this Agreement; and, if transferee is a corporation, a limited liability company or a partnership, transferee's shareholders, members, partners or other investors, as applicable, shall also execute such agreement as principals of the transferee, including a guaranty of your obligations contained in such agreements;

e. The transferee shall demonstrate to Dickey's satisfaction that transferee meets the criteria considered by Dickey's when reviewing a prospective developer's application for development rights, including Dickey's educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital, and the geographic proximity of other territories with respect to which transferee has been granted development rights or of other Dickey's Barbecue Pit restaurants operated by transferee, if any;

f. The transferee shall execute the standard form development agreement then being offered to new System developers or a revised form of this Agreement, as Dickey's deems appropriate, and such other ancillary agreements as Dickey's may require, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement (except that the Development Schedule and the Development Periods will not change), and if the transferee is a corporation, a limited liability company or partnership, transferee's shareholders, members, partners or other investors, as applicable, shall also execute such agreements as principals of the transferee, including a guaranty of Owner/operator's obligations contained in this Agreement;

g. You shall pay a transfer fee of \$10,000.00 or such greater amount as is necessary to reimburse Dickey's for its reasonable costs and expenses associated with reviewing the application to transfer, including, without limitation, legal and accounting fees;

h. If transferee is a corporation, a limited liability company or a partnership, transferee shall make and will be bound by any or all of the representations, warranties and covenants in Article 5.B.1 as Dickey's requests. Transferee shall provide to Dickey's evidence satisfactory to Dickey's that the terms of Article 5.B.1 have been satisfied and are true and correct on the date of transfer. The transferor shall remain liable for all of the obligations to Dickey's in connection with this Agreement incurred prior to, the effective date of the transfer and shall execute any and all instruments reasonably requested by Dickey's to evidence such liability.

3. You acknowledge and agree that each condition, which must be met by the transferee, is reasonable and necessary to ensure the transferee's full performance of the obligations hereunder.

C. Transfer for Convenience of Ownership

In the event the proposed transfer is to a corporation formed solely for the convenience of ownership, to the extent permitted by applicable Minnesota law, Dickey's consent may be conditioned upon any of the requirements in Article 7.B.2, except that the requirements in Articles 7.B.2.c, e, f and g shall not apply. You shall be the owner of all the voting stock or interest of the corporation and if you are more than one individual, each individual shall have the same proportionate ownership interest in the corporation as he had in you prior to the transfer.

D. Right of First Refusal

1. You or any party holding any interest (including any interest acquired pursuant to Article 7.E in you or in this Agreement and who desires to accept any bona fide offer from a third party to purchase your interests hereunder or any interest in you shall promptly notify Dickey's in writing of each such offer and shall provide such information and documents relating to the offer as Dickey's may require. Dickey's shall have the right and option, exercisable within sixty (60) days after receipt of such written notification, to send written notice that Dickey's intends to purchase the transferor's interest on the same terms and conditions offered by the third party. If Dickey's elects to purchase the transferor's interest, closing on such purchase must occur within thirty (30) days from the date of Dickey's notice electing to purchase, or such other date as may be agreed upon. Any material change in the terms of any third party offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Dickey's as in the case of an initial offer. Failure of Dickey's to exercise the option afforded by this Article 7.D shall not constitute a waiver of any other provision of this Agreement, including all provisions relating to a proposed transfer.

2. If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Dickey's may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on such amount, an independent appraiser shall be designated by each party to determine such amount. In the event that such appraisers shall agree on such amount, the determination shall be final and binding. In the event that such appraisers fail to agree within thirty (30) days, a third independent appraiser shall be designated by such appraisers, and the determination by a majority of appraisers shall be binding. Each party shall bear the costs and expenses of the appraiser appointment by such party, and the parties shall share equally the costs and expenses of the third appraiser.

3. If Dickey's elects to exercise the option described in this Article 7.D, it shall have the right to set off the cost of the appraisal described in Article 7.D.2 above, if any against any payment made hereunder.

4. Failure to comply with the provisions of this Article 7.D prior to the transfer of any interest in you or in this Agreement shall constitute a material event of default under this Agreement.

E. Transfer Upon Death or Permanent Disability

1. Upon the death of any person with an interest in this Agreement or in you (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Dickey's within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Dickey's. If the distributee is not approved by Dickey's, then the distributee shall transfer such interest to a third party approved by Dickey's within twelve (12) months after the death of the Deceased.

2. Upon the permanent disability of any person with an interest in this Agreement or in you, Dickey's may, in its sole discretion, require such interest to be transferred to a third party approved by Dickey's within six (6) months after notice to you. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days on the date of determination of disability is

unlikely. Permanent disability shall be determined by two (2) licensed practicing physicians. One (1) licensed practicing physician shall be selected by Dickey's, while a second licensed practicing physician shall be selected by you. If these two (2) licensed practicing physicians cannot agree on whether a permanent disability exists, they shall appoint a third licensed practicing physician whose expert opinion shall be controlling. The costs of any examination required by this Article shall be paid by Dickey's.

3. Upon the death or claim of permanent disability of any person with an interest in this Agreement or in you, you must promptly notify Dickey's of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions described in this Article 7 for a transfer for convenience of ownership. If an interest is not transferred upon death or permanent disability as required in this Article 7.E, you shall be in default under this Agreement.

F. Non-Waiver of Claims

Dickey's consent to a transfer of any interest in you or in this Agreement shall not constitute a waiver of any claims it may have against the transferor, nor shall it be deemed a waiver of Dickey's right to demand exact compliance with any of the terms of this Agreement by the transferee.

G. Offerings by You

Securities of or partnership interests in you may be offered to the public, by private offering or otherwise, only with the prior written consent of Dickey's (whether or not Dickey's consent is required under Article 7.B), which consent shall not be unreasonably withheld. All materials required for such offering by federal or state law shall be submitted to Dickey's for a limited review as discussed below prior to their being filed with any government agency, and any materials to be used in any exempt offering shall be submitted to Dickey's for such review prior to their use. No offering by you shall imply, by use of the Proprietary Marks or otherwise, that Dickey's is participating in an underwriting, issuance or offering of your securities or the securities of any subsidiary or affiliate of you, and Dickey's review of any offering materials shall be limited solely to the subject of the relationship between you and Dickey's and its subsidiaries and affiliates and shall not constitute an endorsement of your offering or a representation or confirmation that your offering complies with applicable federal or state laws. Dickey's may, at its option, require your offering materials to contain a written statement prescribed by Dickey's concerning the limitations described in the preceding sentence. **YOU AND THE OTHER PARTICIPANTS IN THE OFFERING MUST FULLY INDEMNIFY DICKEY'S IN CONNECTION WITH THE OFFERING.** For each proposed offering, you shall pay to Dickey's a non-refundable fee of \$2,000.00, or such larger amount as is necessary to reimburse Dickey's for its reasonable costs and expenses associated with reviewing the proposed offering materials, including, without limitation, legal and accounting fees. You shall give Dickey's written notice at least thirty (30) days prior to any offering or other transaction covered by this Article 7.G.

ARTICLE 8. COVENANTS

A. You covenant that during the term of this Agreement, except as otherwise approved in writing by Dickey's, you and the Operating Principal shall devote full time best efforts to the management and operation of the development activities contemplated under this Agreement.

B. You and your Principals specifically acknowledge that, pursuant to this Agreement, you and your Principals will receive valuable specialized training trade secrets and confidential information, which are beyond the present skills and experience of you and your Principals and your managers and employees and that you have the right and the obligation, arising from this Agreement, to develop the

Territory for the benefit of the System. You and your Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to you in the development of the Franchised Businesses and that training access to such specialized training, trade secrets and confidential information is, therefore, a primary reason for entering into this Agreement. In consideration for such specialized training, trade secrets, confidential information and exclusive rights, you and your Principals covenant as follows:

1. With respect to you, during the term of this Agreement, or with respect to each of your Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "your Principals" in Article 13.E, except as otherwise approved in writing by Dickey's, neither you nor any of your Principals shall, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person(s), partnership or corporation:

a. Divert or attempt to divert any business or customer of any Dickey's Barbecue Pit Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Dickey's Proprietary Marks and the System; or

b. Own, maintain, operate, engage in or have any financial or beneficial interest in (including interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to Dickey's Barbecue Pit restaurants, including but not limited to, any food business which offers barbecue style food as a primary menu item.

2. With respect to you, for a continuous uninterrupted period commencing upon the expiration or termination of, or transfer of all of your interest in, this Agreement, or with respect to each of your Principals, for a continuous uninterrupted period commencing upon the earlier of: (i) the expiration, termination or transfer of all of your interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "your Principals" in Article 13.E, and for two (2) years thereafter, except as otherwise approved in writing by Dickey's, neither you nor any of your Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

a. Divert or attempt to divert any business or customer of any Dickey's Barbecue Pit restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Dickey's Proprietary Marks and the System;

b. Employ or seek to employ any person who is at that time employed by Dickey's or by any other developer or owner/operator of Dickey's, or otherwise direct or indirectly induce such person to leave that person's employment; provided, however, that you may employ such person in a managerial position with respect to your operation of a Dickey's Barbecue Pit restaurant pursuant to the terms of the Franchise Agreement applicable to such Dickey's Barbecue Pit restaurant; or

c. Own, maintain, operate, engage in or have any financial or beneficial Interest in (including interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to Dickey's Barbecue Pit restaurants including but not limited to, any food business which offers barbecue style food as a primary menu item, which business is, or is intended to be, located within the Territory or within a five (5) mile radius of any Dickey's Barbecue Pit restaurant in existence or under construction as of: (i) the expiration or termination of, or the transfer of all of your interest in, this

Agreement; or (ii) the time your Principal ceases to satisfy the definition of your Principal, as applicable.

C. Article 8.B.1.b and 2.c shall not apply to ownership of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

D. The parties agree that each of the above covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Dickey's is a party, you and your Principals expressly agree to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article.

E. You and your Principals understand and acknowledge that Dickey's shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Article 8.B, or any portion thereon, without your consent, effective immediately upon notice to you; and you and your Principals agree that you shall immediately comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 14.A.

F. You and your Principals expressly agree that the existence of any claims you may have against Dickey's, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Dickey's of the covenants in this Article 8. You and your Principals agree to pay all costs and expenses (including reasonable legal fees) incurred by Dickey's in connection with the enforcement of this Article.

G. Failure to comply with the requirements of this Article 8 shall constitute an event of default under this Agreement. You and your Principals acknowledge that a violation of this Article would result in irreparable injury to Dickey's for which no adequate remedy at law may be available, and you and your Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or your Principals in violation of the terms of this Article.

H. At Dickey's request, you shall require and obtain the execution of covenants similar to those set forth in this Article 8 (including covenants applicable upon the termination of a person's employment with you) from any personnel of you and any holder of a beneficial interest of more than one percent (1%) of the securities of you and any corporation directly or indirectly controlling you, if you are a corporation (or of any corporate general partner and any corporation directly or indirectly controlling a general partner of you, if you are a partnership), who has received or will receive confidential information or training from Dickey's. Failure by you to obtain the execution of these covenants following Dickey's request shall constitute an event of default under this Agreement.

ARTICLE 9. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose.

B. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting its development operations pursuant to development rights granted by Dickey's. You agree to take such action as shall be necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place in any office established for the purposes hereunder, the content and form of which Dickey's reserves the right to specify in writing.

C. You understand and agree that nothing in this Agreement authorizes you or any of your Principals to make any conduct, agreement, warranty or representation on Dickey's behalf, or to incur any debt or other obligation in Dickey's name, and that Dickey's shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Principals or any claim or judgment arising therefrom.

D. 1. YOU AND EACH OF YOUR PRINCIPALS SHALL, AT ALL TIMES, INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW DICKEY'S, ITS SUBSIDIARIES, AFFILIATES, SUCCESSORS AND ASSIGNS AS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, SERVANTS, EMPLOYEES, AGENTS AND REPRESENTATIVES FROM ALL "LOSSES AND EXPENSES" (AS DEFINED IN ARTICLE 9.D.4.B BELOW) INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING CLAIM, DEMAND, INVESTIGATION OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED) WHICH ARISES OUT OF OR IS BASED UPON ANY OF THE FOLLOWING:

A. THE INFRINGEMENT, ALLEGED INFRINGEMENT, OR ANY OTHER VIOLATION, OR ALLEGED VIOLATION BY YOU OR ANY OF YOUR PRINCIPALS OF ANY PATENT, MARK, COPYRIGHT OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES (EXCEPT AS SUCH MAY OCCUR WITH RESPECT TO ANY RIGHTS IN THE PROPRIETARY MARKS GRANTED TO YOU UNDER A FRANCHISE AGREEMENT);

B. THE VIOLATION, BREACH OR ASSERTED VIOLATION OR BREACH BY YOU OR ANY OF YOUR PRINCIPALS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION, RULING STANDARD OR DIRECTIVE, OR ANY INDUSTRY STANDARD;

C. LIBEL, SLANDER OR ANY OTHER FORM OF DEFAMATION OF DICKEY'S OR THE SYSTEM, BY YOU OR BY ANY OF YOUR PRINCIPALS;

D. THE VIOLATION OR BREACH BY YOU OR BY ANY OF YOUR PRINCIPALS OF ANY WARRANTY, REPRESENTATION, AGREEMENT OR OBLIGATION IN THIS AGREEMENT OR IN ANY FRANCHISE AGREEMENT OR OTHER AGREEMENT BETWEEN YOU AND DICKEY'S OR ITS SUBSIDIARIES OR AFFILIATES; AND

E. ACTS, ERRORS OR OMISSIONS OF YOU, ANY OF YOUR SUBSIDIARIES OR AFFILIATES AND ANY OF YOUR PRINCIPALS AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, INDEPENDENT CONTRACTORS, SERVANTS, EMPLOYEES AND REPRESENTATIVES OF YOU AND ITS SUBSIDIARIES AND AFFILIATES IN CONNECTION WITH THE PERFORMANCE OF THE DEVELOPMENT ACTIVITIES CONTEMPLATED UNDER THIS AGREEMENT OR THE ESTABLISHMENT AND OPERATION OF ANY DICKEY'S BARBECUE PIT RESTAURANT PURSUANT TO A FRANCHISE AGREEMENT.

2. YOU AND EACH OF YOUR PRINCIPALS AGREE TO GIVE DICKEY'S IMMEDIATE NOTICE OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. AT THE EXPENSE AND RISK OF YOU AND EACH OF YOUR PRINCIPALS, DICKEY'S MAY ELECT TO CONTROL (BUT UNDER NO CIRCUMSTANCE IS OBLIGATED TO UNDERTAKE), AND ASSOCIATE COUNSEL OF ITS OWN CHOOSING WITH RESPECT TO, THE DEFENSE AND/OR SETTLEMENT OF ANY SUCH ACTION, SUIT,

PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. SUCH AN UNDERTAKING BY DICKEY'S SHALL, IN NO MANNER OR FORM, DIMINISH THE OBLIGATION OF YOU AND EACH OF YOUR PRINCIPALS TO INDEMNIFY DICKEY'S AND TO HOLD IT HARMLESS.

3. IN ORDER TO PROTECT PERSONS OR PROPERTY OR ITS REPUTATION OR GOODWILL, OR THE REPUTATION OR GOODWILL OF OTHERS, DICKEY'S MAY, AT ANY TIME AND WITHOUT NOTICE, AS DICKEY'S, IN ITS JUDGMENT DEEMS APPROPRIATE, CONSENT OR AGREE TO SETTLEMENTS OR TAKE SUCH OTHER REMEDIAL OR CORRECTIVE ACTION AS DICKEY'S DEEMS EXPEDIENT WITH RESPOND TO THE ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION IF, IN DICKEY'S SOLE JUDGMENT, THERE ARE REASONABLE GROUNDS TO BELIEVE THAT:

A. ANY OF THE ACTS OR CIRCUMSTANCES ENUMERATED IN ARTICLE 9.D.1 ABOVE HAS OCCURRED; OR

B. ANY ACT, ERROR OR OMISSION AS DESCRIBED IN ARTICLE 9.D.1.E MAY RESULT DIRECTLY OR INDIRECTLY IN DAMAGE, INJURY OR HARM TO ANY PERSON OR ANY PROPERTY.

4. A. ALL LOSSES AND EXPENSES INCURRED UNDER THIS ARTICLE 9 SHALL BE CHARGEABLE TO AND PAID BY YOU OR ANY OF YOUR PRINCIPALS PURSUANT TO ITS OBLIGATIONS OF INDEMNITY UNDER THIS ARTICLE, REGARDLESS OF ANY ACTION, ACTIVITY OR DEFENSE UNDERTAKEN BY DICKEY'S OR THE SUBSEQUENT SUCCESS OR FAILURE OF SUCH ACTION, ACTIVITY OR DEFENSE.

B. AS USED IN THIS ARTICLE 9, THE PHRASE "LOSSES AND EXPENSES" SHALL INCLUDE, WITHOUT LIMITATION, ALL LOSSES, COMPENSATORY, EXEMPLARY OR PUNITIVE DAMAGES, FINES, CHARGES, COSTS, EXPENSES, LOST PROFITS, LEGAL FEES, COURT COSTS, SETTLEMENT AMOUNTS, JUDGMENTS, COMPENSATION FOR DAMAGES TO DICKEY'S REPUTATION AND GOODWILL, COSTS OF OR RESULTING FROM DELAYS, FINANCING, COSTS OF ADVERTISING MATERIAL AND MEDIA TIME/SPACE AND COSTS OF CHANGING, SUBSTITUTING OR REPLACING THE SAME, AND ANY AND ALL EXPENSES OF RECALL, REFUNDS, COMPENSATION, PUBLIC NOTICES AND OTHER SUCH AMOUNTS INCURRED IN CONNECTION WITH THE MATTERS DESCRIBED.

5. THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE 9 DO NOT ASSUME ANY LIABILITY FOR ACTS, ERRORS OR OMISSIONS OF THOSE WITH WHOM YOU, ANY OF YOUR PRINCIPALS OR YOUR SUBSIDIARIES AND AFFILIATES MAY CONTRACT, REGARDLESS OF THE PURPOSE, YOU AND EACH OF YOUR PRINCIPALS SHALL HOLD HARMLESS AND INDEMNIFY THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE FOR ALL LOSSES AND EXPENSES WHICH MAY ARISE OUT OF ANY ACTS, ERRORS OR OMISSIONS OF YOU, YOUR PRINCIPALS, YOUR SUBSIDIARIES AND AFFILIATES, THE OCCURS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, SERVANTS, EMPLOYEES AND REPRESENTATIVES OF YOU AND ITS SUBSIDIARIES AND AFFILIATES, AND ANY SUCH THIRD PARTIES WITHOUT LIMITATION AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE NEGLIGENCE OF DICKEY'S OR ANY OTHER PARTY OR PARTIES ARISING IN CONNECTION THEREWITH, AND WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT OR ACTIVE OR PASSIVE.

6. UNDER NO CIRCUMSTANCES SHALL THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE 9 BE REQUIRED OR OBLIGATED TO SEEK RECOVERY

FROM THIRD PARTIES OR OTHERS OR MITIGATE THEIR LOSSES TO MAINTAIN A CLAIM AGAINST YOU OR ANY OF YOUR PRINCIPALS. YOU AND EACH OF YOUR PRINCIPALS AGREE THAT THE FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE LOSS WILL IN NO WAY REDUCE THE AMOUNTS RECOVERABLE ON YOU OR ANY OF YOUR PRINCIPALS BY THE PERSONS INDEMNIFIED PURSUANT TO THIS ARTICLE.

7. You and your Principals expressly agree that the terms of this Article 9.D. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE 10. APPROVALS

A. Whenever this Agreement requires the prior approval or consent of Dickey's, you shall make a timely written request to Dickey's and such approval or consent shall be obtained in writing.

B. Dickey's makes no warranties or guarantees upon which you may rely and assumes no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

ARTICLE 11. NON-WAIVER AND REMEDIES

A. No delay, waiver, omission or forbearance on the part of Dickey's to exercise any right, option, duty or power arising out of any breach or default by you or your Principals under this Agreement shall constitute a waiver by Dickey's to enforce any such right, option, duty or power against you or your Principals, or as to a subsequent breach or default by you or your Principals. Acceptance by Dickey's of any payments due to it hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by Dickey's of any preceding breach by you or your Principals of any terms, provisions, covenants or conditions of this Agreement.

B. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you and Dickey's or its subsidiaries and affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Dickey's rights pursuant to Article 6 of this Agreement shall not discharge or release you or any of your Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

ARTICLE 12. NOTICES

A. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by

certified or registered mail or expedited delivery service within three (3) business days after transmission) to you at the address first set forth above, or to Dickey's at the following address unless and until a different address has been designated by written notice to the other party:

Notices to Dickey's:

Dickey's Barbecue Restaurants, Inc.
4514 Cole Avenue, Suite 1100
Dallas, Texas 75205
Attn: Mr. Roland Dickey, Jr., President
Telephone: (972) 248-9899
Facsimile: (972) 248-8667

Notice to you and
your Principals:

Attn: _____
Telephone: _____
Facsimile: _____

B. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, telegram or telex, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing. Business days for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving and Christmas.

ARTICLE 13. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, article, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, article, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, articles, parts, terms or provisions of this Agreement that remain otherwise enforceable, and the latter shall continue to be given full force and effect and bind the parties; and the invalid portions, articles, parts, terms or provisions shall be deemed not to be part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, Dickey's, Dickey's officers, directors and personnel and such of your and Dickey's respective successors and assigns as may be contemplated (and, as to you, authorized by Article 7), any rights or remedies under or as a result of this Agreement.

C. All captions in this Agreement are intended solely for the convenience of the parties and shall not affect the meaning or construction of any provision of this Agreement.

D. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by your Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed jointly and severally undertaken by all of your Principals.

E. Except as may be otherwise agreed to in writing between you and Dickey's, the term "your Principals" and "Principal" as used in this Agreement shall include, collectively or individually, your spouse, if you are an individual; all officers and directors of, and holders of a beneficial interest of one percent (1%) or more of any class of securities of, you and any corporation directly or indirectly controlling you, if you are a corporation; and the general partners of you and the officers and directors of, and holders of a beneficial interest of one percent (1%) or more of any class of securities of, a corporate general partner and any corporation which controls, directly or indirectly, any general partner, if you are a partnership, and any member and manager, if you are a limited liability company. The Operating Principal shall be one of your Principals unless otherwise agreed to between the developer and Dickey's, in accordance with certain ownership conditions.

F. This Agreement may be executed in counterparts and each copy so executed shall be deemed an original.

G. This Agreement shall not become effective until signed by a President or more senior officer of Dickey's.

H. Each reference in this Agreement to a corporation, limited liability company or partnership shall be deemed to also refer to any other entity or organization. Each reference to the organizational documents, equity owners, directors and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors and officers, as applicable, in the case of any other entity or organization.

ARTICLE 14. ENTIRE AGREEMENT: APPLICABLE LAW: MEDIATION

A. This Agreement the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Dickey's and you and your Principals concerning the subject matter hereof and shall supersede all prior related agreements between Dickey's and you and your Principals. Except for those permitted to be made unilaterally by Dickey's hereunder, no amendment change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

B. The parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation prior to bringing such claim, controversy or dispute in a court. The mediation shall be conducted through either an individual mediator or a mediator appointed by a mediation services organization or body, experienced in the mediation of disputes in the food service business, agreed upon by the parties and, failing such agreement within a reasonable period of time after each party has notified the other of its desire to seek mediation of any claim, controversy or dispute (not to exceed fifteen (15) days), through the American Arbitration Association in accordance with the rules governing mediation, at Dickey's corporate headquarters in Dallas, Texas. The costs and expenses of mediation, including compensation and expenses of the mediator, shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute ninety (90) days after the mediator has been appointed, then either party may submit such claim, controversy or dispute to a court in accordance with Article 14.C below. Notwithstanding the foregoing, Dickey's may bring an action (1) for monies owed, (2) for injunctive relief, or (3) involving the possession or disposition of, or other relief relating to, real property in a court having jurisdiction and in accordance with Article 14.C below, without first submitting such action to mediation. **NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 14.B SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).**

C. With respect to any claims, controversies or disputes which are not finally resolved through mediation, you hereby irrevocably submit yourself to the nonexclusive jurisdiction of the state courts of Dallas County, Texas and the federal district court for the Northern District of Texas, Dallas Division. You hereby irrevocably agree that service of process may be made upon you in any such proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Texas or federal law. Venue for any such legal proceeding shall be Dallas County, Texas; provided, however with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of; or offer relief relating to, real property, Dickey's may bring such action in any state or federal district court which has jurisdiction. To the fullest extent permitted by law, you hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. With respect to all claims, controversies, disputes or actions, this Agreement shall be interpreted and construed under Texas law (except for Texas choice of law rules). NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 14.GB SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

D. You and Dickey's acknowledge that the parties' agreement regarding applicable state law and the forum set forth in Article 14.C above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement, each of you and Dickey's further acknowledge the receipt and sufficiency of mutual consideration for such benefit. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 14.DB SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

E. You and Dickey's acknowledge that the execution of this Agreement occurred in Dallas, Texas and further acknowledge that the performance of certain obligations of you arising under this Agreement shall occur in Dallas, Texas. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS ARTICLE 14.EB SHALL ONLY APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE MINNESOTA LAW (INCLUDING, WITHOUT LIMITATION, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400(J)).

F. 1. To the extent required under applicable Minnesota law, this Agreement will be amended to require that in the event Dickey's provides you with written notice that you have breached this Agreement such written notice will be provided to you at least ninety (90) days prior to the date this Agreement is terminated or cancelled by Dickey's, and you will have sixty (60) days after receipt of such written notice within which to correct the breach specified in the written notice; provided that such notice shall be effective immediately upon receipt for the applicable grounds of termination or cancellation specified in Minn. Stat 80C.14, Subd. 3(a).

2. Notwithstanding any provisions of this Agreement to the contrary, to the extent required under applicable Minnesota law, a court of competent jurisdiction will determine whether Dickey's will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Dickey's against you, your shareholders or the guarantors of this Agreement

3. To the extent required under applicable Minnesota law, the applicable provisions of this Agreement are hereby amended in accordance with the following:

MINNESOTA STATUTES, SECTION 80C.21 AND MINNESOTA RULE 2860.4400(J) PROHIBIT THE FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING A WAIVER OF A JURY TRIAL, OR REQUIRING THE FRANCHISEE TO CONSENT TO

LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES. IN ADDITION, NOTHING IN THE OFFERING CIRCULAR 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 THE JURISDICTION.

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINN. STAT. SEC. 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT.

ARTICLE 15. ACKNOWLEDGMENTS

A. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that the success of this business venture involves substantial business risks and will largely depend upon the your ability. Dickey's expressly disclaims making and you acknowledge that it has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. You acknowledge that you have received, read and understand this Agreement and the related Attachments and agreements and that Dickey's has accorded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

C. You acknowledge that you received a copy of Dickey's complete Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You acknowledge that you received a complete copy of this Agreement and the related attachments and agreements in the form executed by you at least seven (7) calendar days prior to the date on which this Agreement was executed.

[SIGNATURE PAGE FOLLOWS]

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

DICKEY'S:

DICKEY'S BARBECUE RESTAURANTS, INC.,
a Texas corporation

(Signature of Authorized Officer, Title)

(Print Name of Authorized Officer)

YOU:

(Corporation, Company or Partnership Name, if applicable)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

DEVELOPER'S PRINCIPALS

Each of the undersigned acknowledges and agrees as follows:

1. Each has read the terms and conditions of this Agreement and acknowledges that the execution of this guaranty and their undertakings as your Principals under the Agreement are in partial consideration for the granting of the development rights in the Development Agreement, and that Dickey's would not have granted such rights without the execution of this guaranty and these undertakings by each of the undersigned;

2. Each is included in the term "your Principals" as described in Article 13.E of the Agreement;

3. Each individually, jointly and severally makes all of the covenants, representations, warranties and agreements of your Principals set forth in the Agreement (including without limitation the covenants set forth in Article 5.B.5 and Article 8) and is obligated to perform thereunder; and

4. Each individually, jointly and severally, unconditionally, and irrevocably guarantees to Dickey's that all of your obligations under this Agreement will be punctually paid and performed. Upon default by you or upon notice from Dickey's, each will immediately make each payment and perform each obligation required of you under this Agreement. Without affecting the obligations of any of your Principals under this guaranty, Dickey's may, without notice to your Principals, waive, renew, extend, modify, amend or release any indebtedness or obligation of you or settle, adjust or compromise any claims that Dickey's may have against you. Each of your Principals waives all demands and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by you, any default by you or any guarantor and any release of any guarantor or other security for this Agreement or your obligations hereunder. Dickey's may pursue its rights against any of your Principals without first exhausting its remedies against you and without joining any other guarantor hereto, and no delay on the part of Dickey's in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Dickey's of any right or remedy shall preclude the further exercise of such right or remedy. Upon receipt by Dickey's of notice of the death of any of your Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under this Agreement existing at the time of death, and in such event, the obligations of the remaining your Principals shall continue in full force and effect.

5. Additionally, with respect to the individual designated as Operating Principal, Operating Principal acknowledges that the undertakings by Operating Principal under this Agreement are made and given in partial consideration of, and as a condition to, Dickey's grant of rights to develop Restaurants as described herein. Operating Principal individually, jointly and severally makes all of the covenants, representations and agreements of you and Operating Principal set forth in this Agreement and is obligated to perform hereunder.

[SIGNATURE PAGE FOLLOWS]

DEVELOPER'S PRINCIPALS:

*

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

*Denotes individual who is your Operating Principal

ATTACHMENT A
DICKEY'S BARBECUE RESTAURANTS, INC.
FRANCHISE AGREEMENT

[If Not Attached, See Exhibit B to Franchise Disclosure Document]

ATTACHMENT B

STATEMENT OF OWNERSHIP INTERESTS

Owner(s)	Percentage Ownership
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Input:

Document 1	file://W:/4266/033/STATES/Minnesota/Renewal-Sept'2008A/ersion-2/2008 Development Agreement.doc
Document 2	file://W:/4266/033/STATES/Minnesota/Renewal-Sept'2009/2009 Development Agreement.doc
Rendering set	Standard

Legend:

Insertion

~~Deletion~~

~~Moved from~~

Moved to

Style change

Format change

~~Moved deletion~~

Inserted cell

Deleted cell

Moved cell

Split/Merged cell

Padding cell

Statistics:

	Count
Insertions	27
Deletions	33
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	60