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DICKEY'S BARBECUE RESTAURANTS, INC.
ANNUAL RENEWAL – REGISTRATION OF
UNIFORM FRANCHISE OFFERING CIRCULAR
STATE OF CALIFORNIA

RENEWAL DATE: SEPTEMBER 20, 2006

DICKEY'S BARBECUE RESTAURANTS, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

ANNUAL RENEWAL – SEPTEMBER 20, 2006

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RECEIPT



UNIFORM FRANCHISE OFFERING

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY FEDERAL TRADE COMMISSION

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

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION, WE HAVEN'T CHECKED IT AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ YOUR ENTIRE CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT HAS BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

DATE ISSUED: September 20, 2006.



FRANCHISE OFFERING CIRCULAR

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

Effective as of September 20, 2006

The franchisee will operate one or more counter service restaurants specializing in freshly prepared barbecue style meats and other food products. The initial franchise fee is \$25,000.00. The estimated initial investment required for each leased restaurant ranges from \$301,500.00 to \$585,000.00, and the estimated initial investment for a restaurant constructed on real property acquired by the franchisee is \$1,050,000.00 to \$1,493,000.00. Dickey's also offers franchises for operating restaurants in non-traditional locations such as food courts and convenience stores and within institutional settings, and the estimated initial investment for a restaurant operation in these kinds of locations is \$301,500.00 to \$535,000.00. Dickey's also offers development rights for the development and operation of multiple restaurants on an agreed time schedule. The development fee is \$25,000.00 plus \$10,000.00 for each additional restaurant, which amounts will be applied toward the franchise fees for each restaurant.

If you acquire the right to develop and operate two or more Restaurants under the development agreement, you are required to pay Dickey's a Development Fee of \$25,000.00 plus a non-refundable deposit of \$10,000.00 for each Restaurant after the initial Restaurant. From this Development Fee, \$25,000.00 shall be applied to the Franchise Fee for the initial Restaurant, and each \$10,000.00 deposit shall be applied toward the \$25,000.00 Franchise Fee for each subsequent Restaurant, with the balance of the Franchise Fee to be paid by you. The Development Fee is payable in a lump sum to Dickey's upon execution of the Development Agreement.

Risk Factors:

1. **THE FRANCHISE AGREEMENT REQUIRES MOST DISPUTES TO BE SUBMITTED TO NONBINDING MEDIATION AND, IF NONBINDING MEDIATION IS UNSUCCESSFUL, TO ARBITRATION IN DALLAS COUNTY, TEXAS. IN SOME CASES, DISPUTES MAY BE SUBMITTED TO LITIGATION IN THE COURTS IN TEXAS. 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. **THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION 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 THE STATE OF 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 COMPANY OWNED OR FRANCHISED RESTAURANTS OR OTHER FOOD SERVICE FACILITIES IN MALLS, STADIUMS, SCHOOLS, AIRPORTS, HOSPITALS OR OTHER INSTITUTIONAL LOCATIONS WITHIN YOUR PROTECTED TERRITORY, 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, IN COMPETITION WITH YOUR FRANCHISE.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Information comparing franchisors is available. Call the Federal Trade Commission, Washington, D.C. 20580, the state administrators listed on Exhibit F or your public library for sources of information.

ITEM 1
THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, "Dickey's", "we" and "our" means Dickey's Barbecue Restaurants, Inc., 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 and home office is 4514 Cole Avenue, Suite 1100, Dallas, Texas 75205. Dickey's sole business is to offer, sell and service franchises for the development and operation of counter service casual dining restaurants (the "Restaurants") specializing in freshly prepared food featuring barbecued meats under the service mark (the "Mark") displayed on the front page of this Offering Circular. Dickey's is not engaged in any other business and does not do business under any other name. Most of the Restaurants are located in stand-alone buildings or within suburban shopping centers 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 does not offer franchises other than the kind described in this Offering Circular. Dickey's does not operate any Restaurants of the kind described in this Offering Circular, but Dickey's Barbecue Pit, Inc. ("DBP"), a Texas corporation affiliated with Dickey's, has operated similar Restaurants since 1941.

Dickey's agent for service of process in the State of California is the Commissioner of the California Department of Corporations, 71 Stevenson Street, Suite 2100, San Francisco, California 94105-2980, 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 substantially similar to the counter service franchises described in this Offering Circular since 1941. As of the date of this Offering Circular, DBP (or an affiliate, Restaurant Growth, Inc., a Texas corporation ("RGI")) operates five (5) pit barbecue counter service Restaurants in the Dallas, Texas metropolitan area and one table service "Smokehouse" Restaurant in Albuquerque, New Mexico. These Restaurants utilize the latest in barbecue cooking technology and several proprietary concepts and recipes. Food is served in a counter service approach and features eight (8) kinds of slow-smoked meats and sixteen (16) vegetables and salads. When reference is made in this Offering Circular to company-owned or company-operated Restaurants, this means Restaurants owned and operated by DBP (or RGI). DBP (or RGI) does not, and has not, franchised Restaurants or any other kind of business.

Pursuant to this Offering Circular, 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, decor, color schemes, furnishings and equipment for Restaurant premises; confidential recipes, procedures, specifications and formulae 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:

1. The first arrangement is a single franchise agreement ("Franchise Agreement") under which you shall establish one Restaurant at a specified location. The Franchise Agreement that you will be required to execute for this Restaurant is attached to this Offering Circular as Exhibit "B" (see Item 5 regarding initial Franchise Fee).
2. The second arrangement is a development agreement (the "Development Agreement") which requires you to establish more than one 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 Offering Circular 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 franchised Restaurant, you will receive copies of both the Franchise Agreement and the Development Agreement.

The Restaurants' products and services are marketed to customers of all ages and economic levels. Preferred locations for the Restaurants are corner sites ("end-caps") within shopping centers or free standing structures (either conversion or new structures) located in heavily populated suburban areas and on or near major streets and highways. Several Restaurants are located in non-traditional sites such as food courts, within convenience stores or in institutional settings such as airports.

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. 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 commercial real estate 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 Dickey's 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 Dickey's 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 directors, principal officers and other executives who have management responsibility in connection with the operation of Dickey's business relating to the franchises described in this Offering Circular. See Exhibit G for a listing of franchise brokers affiliated with Dickey's. The principal occupation and business experience of each during the last five years, including the names and locations of prior employers, are listed below.

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 Dickey's formation in 1994. Mr. Dickey began working in his family's barbecue business in 1968 and since 1971 has been Chairman of the Board of DBP.

President: Roland R. Dickey.

Roland Dickey, brother of T.D. Dickey, Jr., serves as President of Dickey's and has served as President since the Company's formation in 1994. Mr. Dickey began working in the family's barbecue business in 1968 and since 1971 has been President of DBP.

Vice President: Roland Dickey, Jr.

Roland Dickey, Jr., son of Roland R. Dickey, began working at Dickey's in 1999, and is currently in charge of franchise development and operations.

Manager - Operations: Owen Edwards.

Mr. Edwards began working for DBP in 1974, has served as a restaurant manager since 1989, and began service at Dickey's in 1994.

Franchise Operations Manager: Kent Balsley.

Mr. Balsley has worked for DBP since 1968, and began service at Dickey's in 1998.

Franchise Operations Manager: Mike Miller

Mr. Miller worked for Ruby Tuesday from 1994 – 2000 and then for Joe's Crab Shack from 2000 – 2003 before joining Dickey's in October 2003.

Franchise Operations Manager: Frank Chris Smith

Mr. Smith managed multiple restaurants for Chipotle, a McDonald's Corporation unit, from 1997 until 2005, when he joined Dickey's.

Manager – Marketing: Sherry Jarschke

Ms. Jarschke served as Assistant Marketing Director for Grapevine Mills Mall in Grapevine, Texas from 2000 – 2003 and then as Director of Marketing for Ridgemar Mall, Fort Worth, Texas during 2003 – 2004 before joining Dickey's in July, 2004.

Store Opening Manager: Jim Grindinger

Mr. Grindinger worked for Brinker Corporation in various capacities, including serving as a restaurant manager, from 1986 until he joined Dickey's in 2005.

Manager – Training: Randy Hubbard.

Mr. Hubbard started employment with DBP in 1980. Since March, 1993, Mr. Hubbard has worked for DBP as a restaurant manager, and has worked for Dickey's since 1998.

Comptroller: Elisabeth Luquette.

Ms. Luquette has served as Comptroller for Dickey's since 1998.

ITEM 3 LITIGATION

Jo Amodio, a franchise broker for Dickey's, was named as a defendant in two lawsuits unrelated to Dickey's and filed in the 191st District Court of Dallas County, Texas, being Civil Action Number 04-02081, entitled Consulting Edge, et al v. Philly Franchising, et al, and the second, being Civil Action Number 04-02651, entitled Lone Star Connection, et al v. Philly Franchising, et al. The lawsuits, each filed by a Texas franchisee in the "Philly Connection" franchise system, were filed against the franchisor, Texwide Development, Inc., as the area developer for Texas, and Joe Amodio as President of Texwide Development, Inc. The lawsuits alleged that the defendants made material misrepresentations and failed to disclose material items, claiming relief for breach of contract, fraud, deceptive trade practices, negligent misrepresentations and civil conspiracies. The plaintiffs sought damages in an unspecified amount, including trebling under the Texas Deceptive Trade Practices Act. Joe Amodio, by and through his counsel, Martin Griffin of Dallas, Texas, has denied the allegations. The parties settled the lawsuits in late 2005 through a settlement in which neither Mr. Amodio nor his company, Texwide Development, Inc., paid any monies.

Neither Dickey's nor any person identified in Item 2 above has any other administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair deceptive practices, misappropriation of property or comparable allegations. Neither Dickey's nor any person identified in Item 2 above has during the ten (10) year period immediately preceding the date of this Offering Circular been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding where such felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair deceptive practices, misappropriation of property or comparable allegations. Neither Dickey's nor any person identified in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state or Canadian franchise, securities, anti trust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

ITEM 4 BANKRUPTCY

During the fifteen (15) year period immediately preceding the date of the Offering Circular, neither Dickey's nor any predecessor, current officer or general partner of the franchisor has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of a company or a general partner of a partnership at or within one (1) year of the time that such company or partnership was adjudged bankrupt or reorganized due to insolvency or is subject to any such pending bankruptcy or reorganization proceeding.

ITEM 5 INITIAL FRANCHISE FEE

Single Unit Arrangement. If you acquire the right to operate one (1) Restaurant, an initial Franchise Fee of \$25,000.00 is payable to Dickey's in a lump sum upon the execution of the Franchise Agreement. 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 or more Restaurants under the development agreement, you are required to pay Dickey's a Development Fee of \$25,000.00 plus a non-refundable deposit of \$10,000.00 for each Restaurant after the initial Restaurant. From this Development Fee, \$25,000.00 shall be applied to the Franchise Fee for the initial Restaurant, and each \$10,000.00 deposit shall be applied toward the \$25,000.00 Franchise Fee for each subsequent Restaurant, with the balance of the Franchise Fee to be paid by you upon the execution of the Franchise

Agreement for each subsequent Restaurant. The Development Fee is payable in a lump sum to Dickey's upon execution of the Development Agreement.

Except as noted above, the initial Franchise Fee is uniformly imposed on all franchisees subject to this Offering Circular. Dickey's reserves the right to reduce the initial Franchise Fee (and the Development Fee) on a negotiated basis for existing Dickey's franchisees who elect to purchase additional Dickey's franchises.

The Franchise Fee is non-refundable.

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**ITEM 6
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty ^{1,2}	4% of Gross Sales	Payable monthly on the 10th day of each calendar month	See footnote ^{4,5}
National Marketing Production ^{1,2}	2% of Gross Sales	Payable monthly on the 10 th calendar day of each month	See footnote ^{4,5}
Advertising ³ (Local)	2% of Gross Sales	As negotiated with local vendors	Paid to vendors or local advertising co-op ⁴
Insurance	Premiums vary depending on location.	As agreed or upon notice from Dickey's if you have failed to pay premiums.	Dickey's has right to obtain insurance and charge you with the cost of the premium if you fail to purchase same. ⁶
Training Materials and Uniforms ¹	\$100 per person	1 week prior to beginning training	See footnote ⁷
Audit ¹	Cost of audit plus 10% interest ⁶	Thirty days after billing	Payable only if audit shows under statement of at least 2% of Gross Sales for any month. ⁴
Software Licenses	Up to \$120/month per license	Payable monthly	See footnote ⁹
Site Evaluation Costs ¹	All of Dickey's reasonable costs and expenses.	Thirty days after billing.	Dickey's provides three on-site evaluations for your restaurant at no charge to you.
Transfer ¹	\$10,000	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.
Renewal ¹	\$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.
Management ¹	4% of Gross Sales	Payable monthly	Only payable if Dickey's elects to operate the restaurant after your death or disability.
Offering ¹	\$1,000	Upon delivery of documents	For review of your public or private offering documents
Interest	15% or maximum rate, whichever is less	Immediately	See footnote ⁸
Legal	Actual legal fees and expenses	As incurred by Dickey's to enforce your obligations	Incurred only if court determines you have breached Franchise Agreement.

¹The fee is imposed by and payable to Dickey's and is nonrefundable.

²You are required to pay to Dickey's a royalty fee equal to 4% of Gross Sales of the Restaurant and a contribution to the National Marketing Production Fund equal to two percent (2%) of Gross Sales for each calendar month period (the "Sales Period"). Dickey's reserves the right to charge a higher royalty fee and require a higher advertising contribution in non-U.S. locations. These

payments are electronically drafted upon your account by ACH transfer based upon your statement certifying Gross Sales for the Sales Period.

³In addition to the mandatory National Marketing Production Fund contribution, you are obligated to expend not less than two percent (2%) of your Gross Sales on your direct local advertising of your Restaurant. Dickey's reserves the right to require that you verify these expenditures and may audit your books and records.

⁴"Gross 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 certificates, 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 Gross Sales will not include any sales tax or other taxes collected from customers by you and paid to the appropriate taxing authority, employee meals and the discount for meals purchased with promotional coupons approved by Dickey's.

⁵Dickey's reserves the right to require that you pay (or that Dickey's may electronically draft upon your account for) your royalty fee and your advertising contribution weekly. If Dickey's invokes this right, your royalty fee and advertising contribution, together with your statement certifying Gross Sales, shall be paid (or drafted) and filed on Wednesday following the applicable calendar week.

⁶If 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 software programs 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 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 offering; 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.

⁷Dickey's reserves the right to charge a fee for training manuals and materials and to additionally charge for uniforms.

⁸Interest is not charged unless Royalty, National Marketing Production Fund contribution, Transfer Fee or Renewal Fee payments are not paid when due.

⁹Dickey's requires that you purchase from Dickey's or software vendors approved by Dickey's accounting/financial management software for use in the operation of the Restaurant. Currently, Dickey's requires that you purchase a license for Aloha Point of Sale System, together with customized Dickey's software, and your license fees are payable to the vendor of such system, which is not affiliated with Dickey's.

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ITEM 7 INITIAL INVESTMENT

The following table provides an estimate of your initial investment for one Restaurant constructed in accordance with Dickey's current prototype plans and specifications. The information is arranged to provide a range of your estimated initial investment if you lease the location of your Restaurant, a range of your estimated initial investment if you purchase the land and build your Restaurant, and a range of your estimated initial investment if you establish your Restaurant in a non-traditional location.

	Restaurant (Lease or Conversion)	Restaurant (New Building)	Non-Traditional Restaurant (Food Court, Convenience Store, Institutional Setting, etc.) ⁽¹⁵⁾	Method of Payment	When Due	To Whom Payment is to be made
Franchise Fee ⁽¹⁾	\$25,000	\$25,000	\$25,000	Lump Sum	Execution of Franchise Agreement	Dickey's
Architectural Plans ⁽²⁾	\$10,000 - \$15,000	\$10,000 - \$15,000	\$10,000 - \$15,000	Lump Sum	30 days after execution of lease or land purchase	Architectural firm
Leasehold Improvements ⁽³⁾	\$100,000 - \$250,000	NA	\$100,000 - \$200,000	Negotiable	Negotiable	Landlord
Land Purchase ⁽⁴⁾	NA	\$240,000 - \$540,000	N/A	Lump Sum or Negotiable	Purchase	Vendor
Building (to shell) ⁽⁵⁾	NA	\$525,000 - \$610,000	N/A	Lump Sum	As incurred	Contractors
Furniture, Fixtures, Equipment and Signage ⁽⁶⁾	\$100,000 - \$205,000	\$190,000 - \$220,000	\$100,000 - \$205,000	Lump Sum	As Incurred	Vendors, Contractors
Lease Deposits ⁽⁷⁾	\$10,000 - \$15,000	NA	\$10,000 - \$15,000	Lump Sum	As Incurred	Landlord, Utilities
Permits ⁽⁸⁾	\$1,500 - \$2,000	\$3,000 - \$5,000	\$1,500 - \$2,000	Lump Sum	As Incurred	State or Municipal Agencies
Insurance ⁽⁹⁾	\$8,000 - \$10,000	\$10,000 - \$15,000	\$8,000 - \$10,000	Annual	Annual	Insurance Agents
Opening Inventory and Services ⁽¹⁰⁾	\$10,000 - \$15,000	\$10,000 - \$15,000	\$10,000 - \$15,000	Lump Sum	Vendors' Terms/As Incurred	Vendors/Dickey's
Additional Funds ⁽¹¹⁾	\$25,000 - \$35,000	\$25,000 - \$35,000	\$25,000 - 35,000	Cash	As Needed	Various Payees
Promotional and Pre-Opening Expenses ^{(12), (13)}	\$10,000	\$10,000	\$10,000	Cash	As Incurred	Vendors
Professional Fees ⁽¹⁴⁾	\$2,000 - \$3,000	\$2,000 - \$3,000	\$2,000 - \$3,000	As Arranged	As Arranged	Vendors
Total ⁽¹⁵⁾	\$301,500 - \$585,000	\$1,050,000 - \$1,493,000	\$301,500 - \$535,000			

⁽¹⁾ See Item 5 for initial fee required for multiple unit arrangement under Development Agreement, and for circumstances when the Franchise Fee may be negotiated. Dickey's reserves the right to finance the Franchise Fee for existing Dickey's franchisees who purchase additional franchises, but otherwise does not finance this fee.

⁽²⁾ These amounts are estimated offers and costs for acquiring and adapting Dickey's prototype plans for use in connection with your proposed Restaurant, and are based upon Dickey's experience in the Dallas, Texas metropolitan area.

⁽³⁾ These amounts assume that you will lease the premises for the Restaurant. The amounts provided are based on a "traditional" Restaurant of approximately 3,000 square feet, and assumes conversion or finish-out costs of approximately \$55.00-

\$75.00 per square foot. 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, Texas metropolitan area and may vary substantially based upon local commercial leasing and labor rates and conditions and the availability and prices of materials.

⁽⁴⁾ These amounts assume that you will purchase the premises for your Restaurant. The amounts are based on a 30,000 square foot site, and assume a purchase price in the range of \$8.00 to \$18.00 per square foot. These amounts are Dickey's best estimates based upon the Dallas, Texas real estate market. Your cost may vary substantially based upon your local real estate market conditions and upon the type of site you elect for your Restaurant.

⁽⁵⁾ These amounts include the estimated costs of constructing the "building shell" and landscaping for your "traditional" Restaurant. Your costs will vary depending upon several factors, including the type of building finish you select for your Restaurant and the building codes and requirements of local jurisdictions. These figures are Dickey's best estimates based upon current construction costs in the Dallas, Texas area. Your costs may vary substantially based upon your local building costs, labor rates, building codes and several other factors.

⁽⁶⁾ These amounts include costs for tables, chairs, track lighting fixtures, cabinets and decor items required for the Restaurant, costs for an Aloha/point of sale system, computer hardware and software system, refrigeration and other kitchen equipment, hood and fire and ventilation system and stainless steel, and a "pit" barbecue cooking system. These figures are Dickey's best estimate based on current equipment costs and financing conditions in the Dallas, Texas metropolitan area. Costs may vary substantially depending on geographic location, creditworthiness and financing arrangements. These amounts also include interior and exterior signage, including a pole sign, and two (2) can signs. The cost of signage may vary significantly depending on the location of the Restaurant, landlord and municipal requirements, and market conditions.

⁽⁷⁾ This amount includes both a lease security deposit and utility deposits.

⁽⁸⁾ 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 construction and will likely take more time to obtain. Permit fees will also likely be higher if you desire to serve alcoholic beverages in the Restaurant. Any state franchise taxes required to be paid for corporate franchisees are not included.

⁽⁹⁾ 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 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.

⁽¹⁰⁾ Dickey's estimates that the range given will be sufficient to cover food and paper inventory needs for the first week of operations. These amounts may vary according to your sales volume during the indicated period and according to local suppliers' terms.

⁽¹¹⁾ The amounts provided will be used by you to cover costs and expenses such as debt service, wages, rent and other occupancy costs and other operating expenses during the initial three months of operations. These amounts may vary depending upon your sales volume, your management skill, how much you follow the Dickey's methods and procedures, local economic conditions and wage rates, competition and your financing costs. These amounts are estimates, and Dickey's cannot guaranty that you will not have additional expenses starting the Restaurant.

⁽¹²⁾ The amounts shown include costs and expenses of a grand opening promotion for the Restaurant, for which you are required in the Franchise Agreement to spend a minimum of \$10,000. The amounts also include expenses of other pre-opening marketing and promotional materials and activities, initial promotional merchandise inventory (e.g., T-shirts, sweatshirts, caps, watches), and menus.

⁽¹³⁾ 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, Texas area and the lodging and meals chosen, and your employee wages.

⁽¹⁴⁾ These amounts are Dickey's best estimate of legal and accounting fees associated with the review of this Offering Circular and other organizational costs and expenses associated with the start-up of the Restaurant, and, if you build your Restaurant, legal costs involved in the acquisition of the property and the construction of your Restaurant. Your actual costs may vary substantially depending on difficulties encountered, the individual professionals utilized and organizational structure chosen.

⁽¹⁵⁾ Dickey's has estimated the initial investment for a "non-traditional" Restaurant to be the same as for a leased or converted "traditional" Restaurant. The costs for developing a "non-traditional" Restaurant may vary widely depending upon the physical characteristics of the setting in which the non-traditional Restaurant is established and the requirements of the landlord.

⁽¹⁶⁾ The Initial Investments estimates relate to a single Restaurant. If you enter into a development agreement arrangement with Dickey's, you are committing to establish and operate multiple Restaurants. The development fee you pay will be applied to the franchise fee for each Restaurant. The development agreement will set forth the number of Restaurants you will open and operate. Accordingly, you may extrapolate from the information set forth in this Item 7 your total initial investment in all the Restaurants you are obligated to open and operate under your development agreement. Dickey's has relied on its more than 64

years of experience in the barbecue restaurant business 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.

Neither Dickey's nor any affiliate of Dickey's offers any financing for your initial Franchise Fee or any portion of your initial investment, except that Dickey's will finance the initial Franchise Fee for former Dickey's and DBP employees. 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.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are required to purchase your barbecue sauce (batch and prepackaged), barbecue sauce seasonings, salad dressings and other ingredients for proprietary recipes from approved suppliers which include Dickey's or an affiliate. With respect to product sales to franchisees, Dickey's or its affiliate currently mark-up by about fifteen percent (15%) the cost price of barbecue sauce and other proprietary food items sold to franchisees in order to defray administrative and handling costs and to generate revenue. It is anticipated that the costs of these food products will not exceed five percent (5.0%) of all purchases by you in connection with the operation of the Restaurant.

You must also purchase your food products, paper stocks and other supplies only from approved suppliers. Dickey's has developed a list of approved suppliers. It is anticipated that the costs of your food products, paper stock and other supplies will represent approximately thirty-eight percent (38%) of your operating costs. Certain approved suppliers currently or may hereafter pay Dickey's or an affiliate compensation or otherwise credit the account of Dickey's or an affiliate a sales incentive or rebate ranging up to fifteen percent (15%) or less based upon purchases you may make from the suppliers. 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. During fiscal year 2005, Dickey's realized \$454,812.39 from vendor rebates or credits which represented approximately 16.47% of Dickey's total revenues of \$2,760,979.00. Dickey's applies such sums to defray its costs in discharging its duties and obligations to its franchisees and to generate revenues. You may request that Dickey's approve other suppliers. Dickey's will evaluate other 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 information. It is anticipated that the review process will take thirty (30) days.

Dickey's has developed or caused to be developed customized software for use in the Aloha point of sale system and may from time to time develop additional computer software programs for Dickey's franchisees. If so required by Dickey's, you are obligated to use such software in the operation of your restaurant pursuant to a separate license agreement with Dickey's. In addition, Dickey's will make available to you from time to time any upgrades, enhancements or replacements of 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 franchisees operating under the System (see Item 6). The magnitude of the cost of these upgrades, enhancements or replacements is anticipated to be insignificant in relation to all purchases and leases by you for the establishment and operation of the Restaurant.

You must purchase all of your equipment, including barbecue pits, under specifications in the Operations Manual or other written information. 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. It is estimated that the costs for this equipment will represent approximately fifteen percent (15%) to forty-five percent (45%) of your initial investment, depending on whether you own or lease your Restaurant. 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 other vendors based upon technical specifications and based upon the

vendor's financial position, business reputation, delivery performance, credit rating, and other information. Dickey's does not publish or disclose its specifications and standards. Suppliers are evaluated, approved or disapproved on a case by case basis. It is anticipated that the review process will take thirty (30) days. Approved suppliers may pay Dickey's compensation or otherwise credit the account of Dickey's or an affiliate based upon purchases you may make from the supplier.

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 franchise system.

You are obligated to purchase approved products only from Dickey's or its approved vendors and suppliers, and any failure to do so may put you in default under your Franchise Agreement. In all, your purchases and leases from Dickey's or its approved vendors and suppliers will likely range from 70% to 90% of your total purchases and leases, depending in part upon whether you own or lease your Restaurant. There are no purchasing cooperatives or distributors, although Dickey's retains the right to establish them. Dickey's does not provide 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 YOUR 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 OFFERING CIRCULAR.

OBLIGATION	ITEM IN OFFERING CIRCULAR	ARTICLE IN FRANCHISE AGREEMENT	ARTICLE IN DEVELOPMENT AGREEMENT
Site selection and acquisitions/lease	Item 11.	Articles 3, 7	Article 4
The pre-opening purchases/leases	Items 7, 11.	Article 7	Article 3
Site development and other pre-opening requirements.	Item 11.	Article 7	Article 3
Initial and on-going training.	Item 11.	Articles 3, 4, 8, 9 and 15	Articles 5, 8
Opening	Item 11.	Articles 3, 5 and 7	Article 3
Fees	Items 5, 6.	Article 4, 5	Articles 2, 5, 6, 7, 8, 9
Compliance with standards and policies/operating manual.	Items 8, 16.	Articles 3, 8	—
Trademarks and proprietary information.	Items 13, 14.	Articles 1, 8 and 10	Articles 6, 7, 8
Restrictions on products/services offered	Item 16.	Articles 8 and 9	Articles 5, 6
Warranty and customer service requirements.	Item 16.	Article 8	Articles 9, 15
Territorial development and sales quotas. ¹⁾	Item 12	None	Articles 1, 3, 4, 6
On-going product/purchases	Item 8.	Articles 8 and 10	—
Maintenance, appearance and remodeling requirements.	Items 16, 17.	Articles 7, 8, 14 and 17	Article 6
Insurance	Item 7.	Articles 9 and 14	—
Advertising	Items 6, 11.	Articles 3 and 5	Article 9
Indemnification	Item 11.	Article 20	Article 9
Owner's participation/management/staffing	Item 15.	Articles 4, 5, 6 and 8	Articles 5, 8, 9
Records and Reports	Item 6.	Article 4, 5, 13	Article 5
Inspection and audit	Items 6, 11.	Articles 3, 7 and 8	—
Transfer	Item 17.	Article 15	Articles 3, 6, 7, 5, 9
Renewal	Item 17.	Article 2	Article 15
Post-termination obligations.	Item 17.	Article 17, 18	Articles 4, 6
Non-competition covenants	Item 17.	Article 18	Attachment B
Dispute resolution	Item 17.	Article 26	Article 14

¹⁾ If you sign a development agreement, you are obligated to sign franchise agreements and open restaurants according to the timetable set forth therein.

ITEM 10 FINANCING

Dickey's does not offer direct or indirect financing. Dickey's does not guarantee your note, lease or obligation.

ITEM 11 DICKEY'S OBLIGATIONS

Except as listed below, Dickey's need not provide any assistance to you.

A. 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 counseling and assistance as Dickey's deems advisable. (Franchise Agreement - Article 3).
3. Provide on-site evaluation (up to 3 visits) and assistance as Dickey's may deem necessary on its own initiative or in response to your request for site approval (Franchise Agreement - Article 3). Dickey's expects that your site will be selected by you and submitted to Dickey's for approval within one hundred fifty (150) days, and that Dickey's shall have thirty (30) days to approve your selected site (Franchise Agreement - Article 7). You will be in default if you fail to timely select your site, or if your site is not approved by Dickey's, and Dickey's may terminate your franchise and retain your initial franchise fee.
4. Loan you a set of prototypical plans and specifications for a Restaurant for adaptation by you, at your expense, for construction or finish-out of the Restaurant. (Franchise Agreement - Article 3).
5. Provide you with assistance and advice concerning equipment and opening inventory selection and purchasing in connection with the opening of the Restaurant. (Franchise Agreement - Article 3).
6. Provide an initial training program for two designated managers and your Operating Principal. (Franchise Agreement, Article 3).

Dickey's will provide instructors and training materials for the initial training program at no additional charge to you. However, if your Operating Principal and more than two (2) of your employees attend the initial training, or if any successor manager elects or is required to attend and complete, to Dickey's satisfaction, Dickey's initial training program, Dickey's may impose a training fee for such additional personnel or training programs. You are responsible for any and all expenses incurred by you and your personnel in connection with any initial training program, including, costs of travel, lodging, meals, and wages. Initial training typically requires three weeks and will be conducted at Dickey's corporate training center in Corsicana, Texas, about sixty miles outside of Dallas, Texas or at a restaurant or location designated by Dickey's in the Dallas, Texas area. (Franchise Agreement - Article 9).

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TRAINING PROGRAM

Subject	Time begun	Instructional material	Hours of classroom training	Hours of on the job training	Instructor (Years experience w/Dickey's and/or its Affiliate)
Restaurant Operation	Within 60 days of opening	Operations Manual	8	56	Owen Edwards (32) Randy Hubbard (26) Mike Miller (3) Kent Balsley (38)
Food Preparation and Service	Within 60 days of opening	Recipe Book	8	30	Owen Edwards (32) Randy Hubbard (26) Mike Miller (3) Kent Balsley (38)
Station Training	Within 60 days of opening	Operations Manual	-0-	4	Owen Edwards (32) Randy Hubbard (26) Mike Miller (3) Kent Balsley (38)
Purchasing	Within 60 days of opening	Operations Manual	4	8	Owen Edwards (32) Randy Hubbard (26) Mike Miller (3) Kent Balsley (38)
Accounting and Controls	Within 60 days of opening	Operations Manual	4	4	Elisabeth Luquette (8)
Marketing & Advertising	Within 60 days of opening	Marketing Catalogue	12	8	Sherry Jarschke (2) Mike Miller (3)
TOTAL HOURS			36	110	

7. Loan you one Manual. The Manual currently consists of 226 pages. A copy of the current table of contents for the Manual is attached hereto as Exhibit E. Dickey's has the right to revise the contents of the Manuals at any time. (Franchise Agreement - Article 3). Pursuant to the Manual, you will be required to purchase the hardware and software components of an Aloha Point of Sale system (including the Project Management Console) allowing Dickey's to monitor and categorize cash register transactions at your Restaurant by food item. The proprietary system is the product of Radiant Systems, Inc., 1320 Tennis Drive, Bedford, Texas 76022 (Telephone: 817/252-9499), the only supplier currently approved by Dickey's. Specific proprietary computer software provided to you must be licensed from Dickey's pursuant to a software license agreement (see Item 8). Dickey's will also make available to you from time to time any upgrades, enhancements and replacements of the software developed by or on behalf of Dickey's, at such cost as Dickey's makes such upgrades, enhancements and replacements available to other franchisees operating under the System (see Item 6). (Franchise Agreement, Article 8).

8. Provide you with a list of approved suppliers, as set forth in the Manuals, and thereafter from time to time as Dickey's deems appropriate. (Franchise Agreement - Article 3).

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

1. 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. (Franchise Agreement - Article 3).

2. 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).

3. 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).

4. Loan 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 training films and instructional video and audio materials developed by Dickey's from time to time. (Franchise Agreement - Article 3).

5. Conduct 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. (See Item 6). (Franchise Agreement - Article 3).

6. 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).

7. 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).

8. Provide interim management of the Restaurant in the event of the death or permanent disability of any person with a twenty-five percent (25%) 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 (see Item 6). Such interim management is provided by Dickey's at its option and Dickey's will charge a monthly management fee of four percent (4%) of Gross Sales (see Item 6). 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 (see Item 6). (Franchise Agreement - Article 15).

C. Advertising:

1. You will be required to expend not less than two percent (2%) of the Restaurant's Gross Sales on local advertising. Your contribution to the Yellow Pages advertisement will not be credited to your local advertising obligation. You will furnish Dickey's with evidence of local advertising expenditures on a monthly basis.

2. Dickey's will place or will require you to place a Yellow Pages trademark listing on behalf of all franchised and company-operated Restaurants in a local market area, unless Dickey's determines that such placement is not economically justified. You are required to pay your pro rata share of the cost of the listing as described in Item 6.

3. All advertising and promotion by you in any medium, including websites and any internet advertising, are required to be conducted in a dignified manner and are required to conform to the standards and requirements of Dickey's as set forth in the Manual, the marketing catalogue or otherwise. 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 catalogue 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.

4. Dickey's has established and intends to maintain a URL website promoting the Dickey's 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.

5. Dickey's administers a National Marketing Production Fund for the purpose of producing marketing materials for the System on a national basis (the "Fund"). You are required to make a continuous contribution to the Fund in an amount equal to two percent (2%) of the Gross Sales of the Restaurant (see Item 6). The Fund is maintained and administered by Dickey's or its designee as follows:

a. The 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 Fund. In administering the 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 Fund may be used by Dickey's to satisfy 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 Fund will be maintained in a separate account by Dickey's 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 Fund and development and implementation of marketing programs for franchisees and the System. The Fund will not be used by Dickey's for the targeted purpose of promoting franchise sales, but application of the Fund may indirectly benefit franchise sales. The 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.

c. A statement of the operations of the Fund will be prepared annually by Dickey's and will be made available to you upon request. For fiscal year 2005, monies in the Fund were expended as follows:

<u>Category</u>	<u>%</u>	<u>\$ Amount</u>	<u>Category</u>	<u>%</u>	<u>\$ Amount</u>
Administrative	6.96%	\$ 53,916.18	Media Kits	0.05%	\$ 356.71
Public Relations	6.31%	48,891.97	Website	4.89%	37,908.97
Advertising	60.87%	471,627.86	Other ¹	2.87%	22,244.30
Marketing	13.70%	106,137.00			
Special requests billed back to Franchisees	4.36%	33,773.44	Total	100.0%	\$774,856.43

d. Although the Fund is intended to be of perpetual duration, Dickey's may terminate the Fund in its discretion. The Fund will not be terminated, however, until all monies in the 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.

D. Site Selection.

1. The site for the Restaurant is selected by you, subject to the approval of Dickey's. The Restaurant may not be relocated without Dickey's prior written consent. Before you lease or purchase the site for the Restaurant, you are required to locate a site that satisfies the site selection guidelines

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

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 approval no later than one hundred fifty (150) days after the execution of the Franchise Agreement. Dickey's will have ten (10) days after receipt of this information and materials from you to approve or disapprove, in its sole discretion, the proposed site as the location for the Restaurant. You are required to acquire by purchase or 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. Otherwise, you will be in default, and Dickey's may terminate your franchise. You must obtain the approval of Dickey's of any contract of sale or lease for the Restaurant premises prior to execution by you (see Item 9).

2. Dickey's will provide to you its then-current written 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, and other businesses that attract consumers and generate traffic.

3. Dickey's will also provide on-site evaluation of the 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 the 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.

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 months to one 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 construction and operation of the Restaurant, construction or remodeling 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 year following the execution of the Franchise Agreement, or in accordance with the development schedule set forth in the Development Agreement, as applicable.

E. Training:

1. Not later than seven (7) days prior to the opening date of the Restaurant, your Operating Principal and two other managers (see Item 15) are required to have completed, to Dickey's satisfaction, Dickey's initial training program. Training will be conducted at Dickey's corporate training center and at a company-operated Restaurant or another location designated by Dickey's. Dickey's current corporate training center is in Corsicana, Texas, approximately sixty miles south 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 three 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.

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.

3. Dickey's will provide instructors and training materials for the initial training program at no additional charge to you (see Item 6). However, 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 (see Item 6).

4. 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. 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 (see Item 6).

In connection with the opening of the Restaurant, Dickey's will make available to you one (1) trained representative of Dickey's to provide on-site training, supervision and assistance for a period of from ten to fourteen days which shall take place before and after the date of opening of the Restaurant and need not occur on consecutive days. The Dickey's representative will be provided at no expense to you; except that, for any replacement Restaurant established by you under the Development Agreement between Dickey's and you or in accordance with the Franchise Agreement as a result of a force majeure event, Dickey's may charge a reasonable fee for this opening assistance. 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.

Dickey's training staff is currently composed of six (6) people and is headed by Randy Hubbard (see Item 2). Randy has been in restaurant operations for over thirty (30) years and has worked for Dickey's or Dickey's Barbecue Pit for over 26 years. Sherry Jarschke (over 2 years with Dickey's or Dickey's Barbecue Pit), Owen Edwards (over 32 years with Dickey's or Dickey's Barbecue Pit), Elisabeth Luquette (over 8 years with Dickey's or Dickey's Barbecue Pit), Mike Miller (over 3 years with Dickey's or Dickey's Barbecue Pit) and Kent Balsley (over 38 years with Dickey's or Dickey's Barbecue Pit) are the other in-house members of Dickey's training staff (see Item 2). Collectively, these persons have over 100 years of experience in restaurant and food operations.

F. 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, except for institutional food service locations.

ITEM 12 TERRITORY

The Franchise Agreement grants to you the right to operate a Restaurant at a single location selected by you and approved by Dickey's.

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

The specific street address of the approved location, within the Assigned Area, will be set forth in the Location Addendum when selected by you and approved by Dickey's. Once the Restaurant location is established and approved, the Assigned Area shall automatically and without requirement of further

action be modified to encompass that geographical area (the "Exclusive Area") within one mile of the Restaurant site. You are required to operate the Restaurant only at this approved location and may not relocate the Restaurant without Dickey's prior written consent. 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 of 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 providing catering and delivery services or through internet sales), 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 Restaurant, under the Proprietary Marks in the Exclusive Area, if offered and sold other than through a Restaurant, (e.g., product and catalogue sales, internet sales, grocery store sales, prepackaged food items, memorabilia, recipes), and Dickey's may offer and sell (and may authorize others to offer and sell) products and services which may be similar to those offered by the Restaurant, under other names and marks in the Exclusive Area.

Dickey's reserves the right to establish and operate (or authorize others to establish and operate), in any "Non-Traditional Location" (defined below) within the Exclusive Area, a Dickey's Barbecue Restaurant or other permanent, temporary or seasonal food service facility providing substantially all (or an approved representative sample) of the services and products offered at a Restaurant and utilizing the Proprietary Marks and the System. For purposes hereof, a "Non-Traditional Location" means any of the following areas or locations located within an Exclusive Area: enclosed shopping malls, airports, hospitals, cafeterias, convenience stores, gas stations, restricted access rest or restaurant plazas, commissaries, hotels and stadiums, arenas, ballparks, corporate or business facilities, entertainment and special events, festivals, fairs and other mass gatherings. Dickey's may operate or offer any other person or entity a license or franchise to operate the Restaurant at the "Non-Traditional Location" upon such terms and conditions as Dickey's, in its sole discretion, may accept, and the operation of a Restaurant at an "Non-Traditional Location" within your Exclusive Area will not be deemed a violation of your rights under your Franchise Agreement.

The territorial rights granted to you are not dependent upon the achievement of a certain sales volume, market penetration or other contingency.

Development Agreement: Under the Development Agreement, you are assigned a geographic area (the "Territory") within which you are required to develop two 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, the provisions in this Item 12 relating to "Non-Traditional Location's", and to 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, 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 catalogue sales, internet sales, grocery stores, prepackaged food items, memorabilia, and recipes) and Dickey's may 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 other names and marks in the Territory or elsewhere.

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 next paragraph. Also, except as stated in the next 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 or modify your territorial rights or reduce the area of territorial rights granted to you.

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 (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.

DBP has registered the Proprietary Mark displayed on the cover page of this Offering Circular on the U.S. Patent and Trademark Office principal register:

	<u>Description</u>	<u>Federal Registration Number</u>	<u>Date of Registration</u>
1.	Dickey's Barbecue, a Texas Tradition since 1941	1,980,072	June 11, 1996
2.	Dickey's Barbecue, since 1941 (with encircling oval)	2,878,761	August 31, 2004

All affidavits of use required to be filed in order to maintain the federal registrations have been filed. No application for the registration of the Proprietary Marks has been filed in any state.

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). Under the license agreement, Dickey's is specifically permitted to sublicense the use of the Proprietary Marks to you. Any other assignment or transfer of Dickey's rights under this license agreement requires the prior written consent of DBP. In addition, if DBP assigns or transfers its rights in the license agreement, DBP's assignee or other designee is required to assume all rights and obligations with respect to any existing Development or Franchise Agreement or other agreement between Dickey's and developers or franchisees of Dickey's. The license agreement may be terminated by DBP if Dickey's materially misuses the System or Proprietary Marks and does not cure or initiate a cure of such misuse within ten (10) days of notice from DBP.

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 for all direct out of pocket costs and expenses you incur resulting from 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.

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 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 the 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 or any court or tribunal or any pending litigation, regarding any infringement, opposition to or cancellation of the Proprietary Marks. There are no infringing uses of any Proprietary Marks actually known to Dickey's that could materially effect or use of the Proprietary Marks. Except for the license agreement with DBP, there are no agreements currently in effect which significantly limit Dickey's rights to use or license the Proprietary Marks to you.

ITEM 14
PATENTS AND COPYRIGHTS

There are no patents material to the franchise. Dickey's claims a common law copyright, trade secret protection, and a proprietary interest in the recipes, development and operating procedures and know-how contained in the Manual 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 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 the Restaurants under the terms of the Agreements. You and each of your Principals are permitted to divulge this confidential information only to your Principals and manager(s) of the 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 Restaurant personnel and any holder of a beneficial interest of less than twenty-five percent (25%) 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 (see Item 17). Similar obligations apply with respect to your personnel under the software license agreement attached to the Franchise Agreement as Attachment D.

If you or your Principals develop any new concept, process, or improvement in the operation or promotion of the Restaurant, you are required to promptly notify Dickey's and provide Dickey's with all necessary related information, without compensation. 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.

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.(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 51% of the shares of each class of the issued and outstanding capital stock the corporate 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 Agreements.

(c) If you are a partnership, the Operating Principal must (i) own at least a 25% interest in the operating profits and operating losses of the partnership and at least 25% ownership interest in the partnership and at least a 51% interest in the shares of each class of capital stock of any corporate general partner, and (ii) be entitled under your partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partners of the partnership 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 express terms of the Agreements.

(d) Except as may otherwise be provided in the Agreements, 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 the development agreement for two (2) or more Restaurants, notwithstanding the foregoing Paragraph 1 of this Item 15, the Operating Principal may be:

(a) a partnership in which you directly own at least 51% of the ownership and voting interests therein and are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the necessity of any approval or consent from the other partners 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 terms of the Agreements; or

(b) a corporation in which you directly own at least 51% of the ownership and voting interests therein and are entitled under its governing documents and any agreements among the shareholders, to cast a sufficient number of votes by unanimous written consent without the necessity of any meeting to require such corporation to take or omit to take any action which the corporation is required to take or omit to take under the terms of the Agreements.

3. If you operate only one 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 or more Dickey's 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. Any such manager(s) 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.

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 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.

You are required to retain such additional managers, chefs, and other persons as Dickey's, in its reasonable discretion, 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.

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, or by another franchisee or developer of Dickey's, 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.

You are also required to obtain the execution of covenants not to compete, including covenants applicable upon the termination of the person's relationship with you, from each of "your principals" (who in Article 25(F) of the Franchise Agreement are defined as persons owning at least twenty-five percent (25%) of the equity interests in you) and, if requested by Dickey's from each executive-level person employed by or affiliated with you and any person owning less than twenty-five percent (25%) of the equity interests in you, who has received or will receive confidential information or training from Dickey's. Additionally, at the request of Dickey's, you must require any such persons and interest holders (including applicable limited partners), to execute covenants that they will maintain the confidentiality of information they receive in connection with their relationship with you. These covenants must be substantially in the form attached to the Development Agreement as Attachment B and attached to the Franchise Agreement as Attachment E.

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 YOU 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 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 9).

You are required to offer for sale and sell at the Restaurant all menu items and other designated products and services (including gift certificates) 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.

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 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, T-shirts, sweatshirts, caps, and watches, in amounts sufficient to meet your customer 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 AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and development agreements. You should read these provisions in the agreements attached to this Offering Circular.

	Provision	Article in Franchise Agreement/ Article in Development Agreement	Summary (Items shown in plain bold-face text depict summary from Franchise Agreement) (Items shown in italicized text depict summary from Development Agreement)
a.	Term of the franchise	Article 2/ Article 4	20 years, subject to periodic remodeling/ <i>Depends on number of Restaurants you commit to open.</i>
b.	Renewal or extension of the term	Article 2/ N/A	If you are not in default you can renew franchise for 10 additional years./ N/A
c.	Requirements for you to renew or extend	Article 2/ N/A	Pay \$10,000.00 renewal fee, sign new agreement in then current form, comply with requirements of new agreement (including higher royalties and advertising contributions but excluding any franchise or renewal fees) retrain, remodel, 6-12 months notice, satisfy all monetary obligations, evidence of right to possession for renewal term, execute release, comply with then current qualifications and training./ N/A
d.	Termination by you	Articles 16, 17/ Article 6	For a 30 day period following your failure to acquire an approved location within 180 days after execution of Franchise Agreement./ <i>No right of termination.</i>
e.	Termination by Dickey's without cause	Article 16/ Article 6	Dickey's has no such rights./ <i>Dickey's has no such rights.</i>
f.	Termination by Dickey's with cause	Article 16/ Article 6	Dickey's can terminate only if franchisee defaults./ <i>Dickey's can terminate if developer defaults.</i>
g.	"Cause" defined – defaults which can be cured	Article 16/ Article 6	30 days to cure nonpayment of monetary obligations, violations of Dickey's standards for Restaurant development and operations, misuse or unauthorized use of Proprietary Marks, breach of competition covenants, unless breaches repeated more than twice in any 12 month period. You have 30 days to cure other breaches of the terms and conditions of the Franchise Agreement and Manual which are not provided above./ <i>You have 30 days to cure any monetary defaults under the Development Agreement or any individual Franchise Agreement and 30 days to cure breaches of the Development Agreement other than those set out in Item 17g.</i>
h.	"Cause" defined – defaults which cannot be cured	Article 16/ Article 6	Noncurable defaults: bankruptcy or insolvency, failure to acquire approved location, failure to satisfactorily complete training program, merger, consolidation or dissolution, levy or foreclosure of your assets, unapproved transfers, failure to open restaurant within one year, repeated defaults even if cured./ <i>Failure to comply with development schedule, default under individual franchise agreement, misuses or unauthorized use of Proprietary Marks, bankruptcy or insolvency (Dickey's right to terminate the franchise upon a franchisee's bankruptcy may not be enforceable under federal bankruptcy law), repeated defaults even if cured.</i>
i.	Your obligations on termination/nonrenewal	Article 17/ Article 6	Obligations include ceasing operation of restaurant and complete the deidentification with Dickey's, at Dickey's option, assign, lease, telephone number, yellow page listing, payment of Dickey's damages, costs, and expenses and other fees, return all manuals, materials, files and customer lists, sell to Dickey's, at Dickey's option, all of your assets (also see r., below)./ <i>Obligations include loss of territory and compliance with non-competition covenants.</i>
j.	Assignment of contract by Dickey's	Article 15/ Article 7	No restriction on Dickey's right to assign./ <i>No restriction on Dickey's right to assign.</i>
k.	"Transfer by you" - definition	Article 15/ Article 7	Includes transfer of contract or assets or ownership change./ <i>Includes transfer of contract or assets or ownership change.</i>
l.	Dickey's approval of transfer by franchisee	Article 15/ Article 7	Dickey's has the right to approve all transfers (except transfers of less than a "controlling interest" in you and except less than 1% interest in publicly held corporations) but will not unreasonably withhold approval./ <i>Dickey's has the right to approve all transfers (except less than 1% interest in publicly traded corporations) but will not unreasonably withhold approval.</i>
m.	Condition for Dickey's approval of transfer	Article 15/ Article 7	Payment of \$10,000.00 transfer fee, receipt of payment of all monetary obligations, new agreement signed by you and/or new franchisee, you remain liable for all your obligations, new franchisee completes training and otherwise qualifies, and new franchisee must renovate restaurant./ <i>Payment of \$10,000 transfer fee, payment of all monetary obligations, transferee signs new development agreement, transferee satisfies Dickey's requirements for a developer.</i>
n.	Dickey's right of first refusal to acquire your business	Article 15/ Article 7	Dickey's can match an offer for the franchisee's business./ <i>Dickey's can match an offer for the developer's business.</i>
o.	Dickey's option to purchase your business	Article 17/ N/A	Dickey's has option to purchase the assets of your business upon termination of the franchise./ <i>Dickey's does not have any such option.</i>
p.	Your death or disability	Article 15/ Article 7	Franchise must be transferred to approved buyer in 12 months./ <i>Developer rights must be transferred to approved buyer in 12 months.</i>

	Provision	Article in Franchise Agreement/ Article in Development Agreement	Summary (Items shown in plain bold-face text depict summary from Franchise Agreement) (Items shown in italicized text depict summary from Development Agreement)
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./ <i>You will not divert any business or potential franchisee to a competitor and you will not be involved in a competing restaurant business.</i>
r.	Non-competition covenants after the franchise is terminated or expires	Article 18/ Article 8	No competing business for 2 years within 5 miles of another Dickey's restaurant (including after assignment)./ <i>No competing business for 2 years within the territory or within 5 miles of another Dickey's Restaurant.</i>
s.	Modification of the agreement	Article 24/ Article 14	Generally, no modifications without your consent except Dickey's may unilaterally change scope of competition covenants, Proprietary Marks and Manual./ <i>No modifications without your consent except Dickey's may unilaterally change the scope of the competition covenants and the Proprietary Marks.</i>
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./ <i>Only the terms of the development agreement are binding (subject to state law). Any other promises may not be enforceable.</i>
u.	Dispute resolution by arbitration or mediation	Article 26/ Article 14	Except for certain claims, all disputes must be mediated and, if not resolved, arbitrated in Dallas, Texas./ <i>Except for certain claims, all disputes must be mediated and, if not resolved, arbitrated in Dallas, Texas.</i>
v.	Choice of forum	Article 26/ Article 14	Litigation must be in Dallas County, Texas except as otherwise required by applicable state law./
w.	Choice of law	Article 26/ Article 14	Texas law applies except as otherwise required by applicable state law./

These states have statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renew of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et. seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. 815 ILCS 705/3 – 705/44; 815 ILCS 705/19 – 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. 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.

ITEM 18 PUBLIC FIGURES

Dickey's does not use any public figure to promote its franchise.

ITEM 19 REPRESENTATIONS REGARDING REPRESENTATIVE SALES AND EARNINGS CAPABILITY

The following information is provided for the purpose of helping you evaluate the potential sales and earnings of a Restaurant opened and operated under the franchise offered hereby. The information is provided for traditional restaurants; i.e. Restaurants operated in free standing and "endcap" shopping center locations, and non-traditional sites; i.e. Restaurants operating in food court, within convenience stores, or otherwise located in institutional locations.

The information is compiled based on the calendar year 2005 performance of the four company-owned Restaurants and the 49 franchise Restaurants that were in operation for all of the calendar year 2005. As a compilation, the information does not depict the individual performance of any single Restaurant. The information is based on the actual performance of the company owned Restaurants and on information obtained from franchisees regarding the performance of their Restaurants. Franchisees may employ varying accounting principles in presenting their information, and the information has not been audited or verified. Although the substantial majority of the Restaurants are in the Dallas-Fort Worth, Texas area, the results of Restaurants in Colorado, New Mexico, Tennessee and New Jersey are reflected in the compilation.

Dickey's believes that, as of the date hereof, there is a reasonable basis for presenting such information as representative of the potential performance of Restaurants to be franchised hereunder. Dickey's does point

that the substantial majority of the Restaurants depicted are in the Dallas/Fort Worth, Texas area, where the Dickey's name and reputation is better established, and the sales and earnings of Restaurants located out of this area may be less predictable.

A. Statement of Gross Sales of Representative Restaurants:

1. Traditional Restaurants (i.e. Free Standing and "Endcap" locations)

For calendar year 2005, gross sales of "traditional" Restaurants ranged as follows:

	Under \$600,000	\$600,000- \$1,000,000	\$1,000,000- \$1,400,000	Over \$1,400,000	TOTAL
2005	3	11	8	8	30

2. Non-Traditional Restaurants (i.e. food courts, within convenience stores, and other institutional locations):

For calendar year 2005, gross sales of the "non-traditional" Restaurants ranged as follows:

	Under \$300,000	\$300,000- \$500,000	\$500,000- \$800,000	Over \$800,000	TOTAL
2005	14	0	5	4	23

- B. Average Gross Sales for traditional Restaurants in 2005 was \$1,071,533. The number of traditional Restaurants that met or exceeded the average gross sales was 15.

Average Gross Sales for non-traditional Restaurants in 2005 was \$532,347.04. The number of non-traditional Restaurants that met or exceeded the average gross sales was 6.

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C. Representative Sales and Earnings Statement:

1. Traditional Restaurants (i.e. Free Standing Restaurants and "Endcap" locations):

INCOME	\$600,000	%	\$1,000,000	%	\$1,400,000	%
ORDINARY INCOME/EXPENSE						
Net Sales	\$600,000	100.00%	\$1,000,000	100.0%	\$1,400,000	100.0%
COST OF GOODS SOLD:						
Purchase – Produce/Grocery	84,000	14.00%	140,000	14.0%	196,000	14.00%
Purchase – Meat	120,000	20.00%	200,000	20.0%	280,000	20.00%
Purchase – Wood	2,400	0.40%	4,000	0.40%	5,600	0.40%
Purchase – Linen	2,400	0.40%	4,000	0.40%	5,600	0.40%
Breakage/Replacement	1,200	0.20%	2,000	0.20%	2,800	0.20%
Purchase – Menus	600	0.10%	1,000	0.10%	1,400	0.10%
Purchase – Soap/Cleaners	1,200	0.20%	2,000	0.20%	2,800	0.20%
Maintenance Contracts	1,800	0.30%	3,000	0.30%	4,200	0.30%
Store Supplies – Short Term	15,000	2.50%	25,000	2.50%	35,000	2.50%
Short Term Repair	3,000	0.50%	5,000	0.50%	7,000	0.50%
TOTAL COST OF GOODS SOLD	231,600	38.60%	386,000	38.60%	540,400	38.60%
GROSS PROFIT	368,400	61.40%	614,000	61.40%	859,600	61.40%
EXPENSES:						
Salaries General	100,800	16.80%	165,000	16.50%	224,000	16.00%
Salaries Management	24,000	4.00%	40,000	4.00%	56,000	4.00%
Salaries Commissions	6,000	1.00%	10,000	1.00%	14,000	1.00%
Taxes Payroll	11,400	1.90%	19,000	1.90%	26,600	1.90%
Automotive	3,000	0.50%	5,000	0.50%	7,000	0.50%
Equipment Rent	2,160	0.36%	3,600	0.36%	5,040	0.36%
Bank/Credit Card Fees	11,400	1.90%	19,000	1.90%	26,600	1.90%
Trash Disposal	3,600	0.60%	6,000	0.60%	8,400	0.60%
Utilities & Phone	15,000	2.50%	25,000	2.50%	35,000	2.50%
Insurance	4,200	0.70%	7,000	0.70%	9,800	0.70%
Building Rent	60,000	10.00%	100,000	10.00%	116,340	8.31%
Allocated Administrative	6,000	1.00%	10,000	1.00%	14,000	1.00%
Advertising	24,000	4.00%	40,000	4.00%	56,000	4.00%
Royalty	24,000	4.00%	40,000	4.00%	56,000	4.00%
Misc.	3,000	0.50%	5,000	0.50%	7,000	0.50%
TOTAL EXPENSES	298,560	49.76%	494,600	49.46%	661,780	47.27%
PRE-TAX OPERATING INCOME	69,840	11.64%	119,400	11.94%	197,820	14.13%

2. "Non-Traditional Restaurants (i.e. food courts, within convenience stores, or at other institutional locations):

INCOME	\$300,000	%	\$500,000	%	\$700,000	%
ORDINARY INCOME/EXPENSE						
Net Sales	\$300,000	100.00%	\$500,000	100.0%	\$700,000	100.0%
COST OF GOODS SOLD:						
Purchase – Produce/Grocery	42,000	14.00%	70,000	14.0%	98,000	14.00%
Purchase – Meat	60,000	20.00%	100,000	20.0%	140,000	20.00%
Purchase – Wood	1,200	0.40%	2,000	0.40%	2,800	0.40%
Purchase – Linen	1,200	0.40%	2,000	0.40%	2,800	0.40%
Breakage/Replacement	600	0.20%	1,000	0.20%	1,400	0.20%
Purchase – Menus	300	0.10%	500	0.10%	700	0.10%
Purchase – Soap/Cleaners	600	0.20%	1,000	0.20%	1,400	0.20%
Maintenance Contracts	900	0.30%	1,500	0.30%	2,100	0.30%
Store Supplies – Short Term	7,500	2.50%	12,500	2.50%	17,500	2.50%
Short Term Repair	1,500	0.50%	2,500	0.50%	3,500	0.50%
TOTAL COST OF GOODS SOLD	115,800	38.60%	193,000	38.60%	270,200	38.60%
GROSS PROFIT	184,200	61.40%	307,000	61.40%	429,800	61.40%
EXPENSES:						
Salaries General	50,400	16.80%	82,500	16.50%	112,000	16.00%
Salaries Management	12,000	4.00%	20,000	4.00%	28,000	4.00%
Salaries Commissions	3,000	1.00%	5,000	1.00%	7,000	1.00%
Taxes Payroll	5,700	1.90%	9,500	1.90%	13,300	1.90%
Automotive	1,500	0.50%	2,500	0.50%	3,500	0.50%
Equipment Rent	1,080	0.36%	1,800	0.36%	210	0.03%
Bank/Credit Card Fees	5,700	1.90%	9,500	1.90%	13,300	1.90%
Trash Disposal	1,800	0.60%	3,000	0.60%	4,200	0.60%
Utilities & Phone	7,500	2.50%	12,500	2.50%	17,500	2.50%
Insurance	2,100	0.70%	3,500	0.70%	4,900	0.70%
Building Rent	30,000	10.00%	50,000	10.00%	58,170	8.31%
Allocated Administrative	3,000	1.00%	5,000	1.00%	7,000	1.00%
Advertising	12,000	4.00%	20,000	4.00%	28,000	4.00%
Royalty	12,000	4.00%	20,000	4.00%	28,000	4.00%
Misc.	1,500	0.50%	2,500	0.50%	3,500	0.50%
TOTAL EXPENSES	149,280	49.76%	247,300	49.46%	328,580	46.94%
PRE-TAX OPERATING INCOME	34,920	11.64%	59,700	11.94%	101,220	14.46%

ITEMS COMPRISING REPRESENTATIVE SALES AND EARNINGS STATEMENT

Net Sales. Includes the revenue from the sale of food and beverages (including gift certificate redemptions), less sales tax, complimentary sales and sales of gift certificates.

Cost of Sales. The Cost of Sales has been calculated as a fixed percentage of gross sales. The percentage figures utilized are based on the compilation of actual operating results of the Restaurants. However, variations may occur between examples due to economies of scale, among other reasons.

Expenses. Certain expenses are projected to increase at higher sales levels due to the need for increased activity associated with higher sales and thus have been calculated as a fixed percentage. Again, the percentage figures utilized are based on the compilation of actual operating results of the Restaurants. Other expenses are projected as fixed.

Salaries. The salary expense categories include salaries and wages for kitchen and service personnel, as well as the manager and assistant manager. Salary expense does not include salary for any franchisee who is not a restaurant manager.

Rent. The rent expense for a "Traditional Restaurant" is based on current rental rates in Dallas, Texas for a triple-net lease for an approximately 3,000 square foot site in a free standing or corner location in a suburban shopping center. The rent expense for a "Non-Traditional Restaurant" is based on a compilation of rentals paid by Dickey's Restaurants in these kinds of locations, and will vary significantly depending

upon whether such site is located within a mall or campus food court, a convenience store, an airport, or other institutional setting. The rent expense will vary substantially depending upon negotiated terms, size and locale, and finish-out allowance, among other things. If the Franchisee builds a Restaurant on property Franchisee owns, there will be no building rental, but the Franchisee will presumably be required to service the mortgage loan borrowed to acquire the property and build the Restaurant. The amount of the monthly mortgage payment will be based on the amount of the mortgage loan and its terms, and cannot be estimated here.

Rent-CAM Costs. Maintenance costs have been estimated based upon Dickey's experience with such charges in the Dallas metropolitan area.

Equipment Rent. The equipment rental expense item may vary substantially to the extent a franchisee has financed equipment through equipment leases.

Utilities & Phone. The utilities & phone expense includes electric, gas, water and telephone. The utilities expense was based upon estimates to operate a Restaurant in Dallas, Texas. Actual expense will vary depending upon locale and other factors.

Insurance. The insurance costs may vary by location and/or carrier chosen to provide the requisite coverages (see Item 9). The Franchisee may elect to purchase insurance through an independent insurance company or purchase insurance through the insurance company that is insuring the Franchisor.

Advertising. Each example was calculated to expend four percent (4%) of Gross Sales on advertising. The Franchise Agreement requires each franchisee to contribute two percent (2%) of its Gross Sales to the National Marketing Production Fund administered by Dickey's, and to expend another two percent (2%) of its Gross Sales on local advertising. Franchisees may be required to expend additional amounts on Yellow Page advertisements.

Administrative. The administrative expense item includes such items as credit card discounts, data processing costs, professional fees, permits and licenses, and office supplies.

Royalty. The royalty expense item is based upon the 4% royalty required under the Franchise Agreement.

NOTES REGARDING REPRESENTATIVE SALES AND EARNINGS STATEMENT

1. Prospective franchisees and others reviewing these figures should be advised that the figures and data presented herein are derived from the 2005 performance of the company-owned and franchised Restaurants in operation for all of calendar year 2005 and otherwise deemed representative by Dickey's. The figures have not been audited and do not purport to be presented in accordance with any promulgated or standardized format or based upon any approved or recognized standards.

2. Prospective franchisees and others reviewing this must understand the limitations of Item 19. A financial professional should be consulted to assist with the task of analyzing the information presented. Prospective Franchisees should be aware that they may not achieve results as favorable as any of the examples cited for a variety of reasons including the following:

A. The information presented will be affected by the extent and the terms by which a franchisee finances the Franchise Fee, the development and construction costs for the Restaurant, the furniture, fixtures, and equipment, and working capital, or by the extent and the terms by which a franchisee borrows a mortgage loan to acquire the property and build the Restaurant.

B. A Restaurant may face competition from restaurants and food service outlets offering many different types of cuisine. The intensity of this competition will vary depending upon the location of the Restaurant. Further, the tastes of a community or community segment may not be accustomed to the type of products offered by a Restaurant. As such, appreciation for and acceptance of the products offered by a

Restaurant may have to be developed to varying degrees depending upon the particular community. Franchisees should anticipate a "ramp-up" period before Gross Sales mature in order for the general public to become aware of the Restaurant and develop a taste for its food offerings.

C. Franchisees may not have comparable restaurant and food service experience and expertise as found in the company-owned or other franchised Restaurants. While the Franchisor will provide certain assistance to the Franchisee (see Item 11), the Franchisee, its Operating Principal and/or manager(s), and the staff of the franchised Restaurant will be primarily responsible for the daily operations of the franchised Restaurant in accordance with the terms of the Franchise Agreement.

D. Managerial decisions made by the Franchisee may affect the sales and operating results of a Restaurant. Decisions with respect to location, additional advertising programs, personnel, cost controls and other factors will impact the results of a particular Restaurant.

E. Geographic and socio-economic variations from locality to locality may affect the results of a particular Restaurant, as well as factors bearing upon business cycles and performance of the national and world economy. As noted above, the Restaurants are better established in the Dallas-Fort Worth, Texas area.

F. The figures presented herein do not include a salary for the Franchisee or its Operating Principal unless he is also the manager.

G. The "Operating Income" figures are before taxes.

3. Contributions to the National Marketing Production Fund may disproportionately benefit certain franchised Restaurants and certain company-owned Restaurants depending upon locale, the particular media that may be utilized, the timing thereof, the manner in which Franchisor administers the Fund (see Item 11 under the heading "Advertising"), and numerous other factors. As such, the National Marketing Production Fund contribution of two percent (2%) may not correspondingly increase a Franchisee's sales.

THE SALES, INCOME, AND GROSS OR NET PROFITS FIGURES ARE A COMPOSITE OF RESTAURANTS WHICH ARE DEEMED REPRESENTATIVE AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE SALES, INCOME, GROSS OR NET PROFITS THAT WILL BE REALIZED BY YOU. DICKEY'S DOES NOT REPRESENT THAT YOU CAN EXPECT TO ATTAIN SUCH SALES, INCOME, GROSS OR NET PROFITS. SUBSTANTIATING FINANCIAL INFORMATION USED AS A BASIS FOR THIS STATEMENT IS AVAILABLE FOR INSPECTION UPON REASONABLE NOTICE AT THE OFFICES OF DICKEY'S.

ACTUAL RESULTS WILL VARY FROM RESTAURANT TO RESTAURANT, AND DICKEY'S CANNOT ESTIMATE OR GUARANTEE THE RESULTS OF ANY PARTICULAR FRANCHISEE.

ACTUAL SALES AND EARNINGS OF YOUR BUSINESS ARE AFFECTED BY MANY FACTORS, INCLUDING YOUR OWN EFFORTS, ABILITY AND CONTROL OF YOUR RESTAURANT, AS WELL AS FACTORS OVER WHICH YOU DO NOT HAVE CONTROL.

DICKEY'S DOES NOT REPRESENT OR GUARANTEE THAT YOU WILL HAVE A PROFITABLE OPERATION.

**ITEM 20
LIST OF OUTLETS**

FRANCHISED STORE STATUS SUMMARY FOR YEARS 2005/2004/2003

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
Texas	0/6/4	4/1/1	0/0/0	0/1/0	0/0/0	4/8/5	49/44/40
Missouri	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/1/0
Tennessee	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	1/1/1
N. Carolina	0/0/0	1/0/1	0/0/0	0/0/0	0/0/0	1/0/0	0/1/1
New Jersey	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Colorado	0/2/2	0/0/0	0/0/0	0/0/0	0/0/0	0/2/2	3/2/3
TOTALS	0/8/6	5/2/3	0/0/0	0/1/0	0/0/0	5/11/8	54/50/46

(1) NOTE: All numbers are as of November 1 of each year.

(2) NOTE: During calendar years 2003 – 2005 five (5) franchises were terminated as a result of the franchisee's bankruptcy or election to cease operating its Dickey's Restaurant. Dickey's has not reacquired any franchise or failed to renew any franchise upon renewal. The name and last known address and telephone number of every franchise which during Dickey's most recently completed fiscal year or subsequent periods up to the date of this Offering Circular was terminated, whether voluntarily or involuntarily, was as follows:

1. HMS Host, Inc.
8111 Concord Mills Boulevard, Suite 101
Concord, NC 28027
(704) 979-9000

2. SCR
4714 Colleyville Blvd. (Hwy. 26)
Colleyville, TX 76034
(817) 514-6767

3. Tom Welch
P.O. Box 865102
Plano, TX 75086
(214) 553-0000

4. 1509 W. 7th Avenue
Corsicana, Texas 75110
(903) 875-1818

5. W. Douglass Distributing
312 N. Highway 75
Van Alstyne, Texas 75995
(800) 736-4316

STATUS OF COMPANY-OWNED RESTAURANTS FOR YEARS 2005/2004/2003

STATE	RESTAURANTS CLOSED DURING YEAR	RESTAURANTS OPENED DURING YEAR	TOTAL RESTAURANTS OPERATING AT YEAR END
Texas	0/0/0	1/0/0	5
New Mexico	0/0/0	0/0/0	1
TOTALS	0/0/0	0/0/0	6

(1) NOTE: These Restaurants are owned by Dickey's Barbecue Pit, Inc. All company owned Restaurants are operational.

(2) NOTE: The addresses, location and telephone numbers of Dickey's company owned Restaurants as of the date of the Offering Circular are as follows:

DICKEY'S BARBECUE PIT, INC.

4610 North Central Expy.
Dallas, Texas 75206
(214) 823-0240

1211 14th Street
Plano, Texas 75074
(972) 423-9960

1441-A Coit Road
Plano, Texas 75075
(972) 867-2901

7770 Forest Lane
Dallas, Texas 75230
(214) 269-1494

4811 Pan Am Frwy. NE
Albuquerque, NM 87109
(505) 345-2788

1509 W. 7th Avenue
Corsicana, Texas 75110
(903) 875-1818

There are 54 franchised Dickey's Restaurants in operation as of the date of this Offering Circular. The Restaurants are located in the following states:

<u>State</u>	<u>Restaurants</u>
New Jersey	1
Colorado	3
Tennessee	1
Texas	49

<u>Store Name</u>	<u>Address</u>	<u>City/State</u>	<u>Zip</u>	<u>Telephone</u>	<u>Franchisee</u>
Grand Prairie	2469 Dalworth Street	Grand Prairie, TX	75050	(972) 641-9044	Conrado Guevera Conrado Enterprises, Inc.
Grapevine	600-A Northwest Highway	Grapevine, TX	76051	(817) 329-0221	Terry Wessels Host Marriott Services USA, Inc.
Harry Hines	2445 W. Northwest Highway, S.	Dallas, TX	75220	(972) 492-6796	Ayesha Khan Cubix Enterprises, Inc.
Josey Lane	2919 Forest Lane	Dallas, TX	75234	(972) 247-0505	Sammy Young Shallow Creek Restaurants, Inc.
Preston/Beltline	14999 Preston Road, Suite C1	Dallas, TX	75240	(972) 661-2006	Allen Bahrami Texas' Best BBQ, Inc.
Mesquite	3700 Gus Thomasson	Mesquite, TX	75150	(972) 727-4117	Frank and Karna Smith Mesquite BBQ, Inc.
Skillman	9230 Skillman	Dallas, TX	75243	(214) 349-9335	Nadeem Iqbal Millenium City Properties, Inc.
Las Colinas	5330 N. MacArthur Boulevard	Irving, TX	75038	(214) 360-6264	Ahmed, Shakeel Select Food Enterprises, Inc.
Richardson	1150 North Plano Road	Richardson, TX	75081	(972) 727-4117	Frank and Karna Smith
Trinity Mills	17721 Dallas Parkway #130	Dallas, TX	75287	(469) 621-2690	Afzal, Muhammad (Mo) Modiz TM BBQ Company LLC
DFW A/19	D/FW Airport, American Gate	DFW Airport, TX	75261	(713) 230-0111	Airport Restaurant Management Corporation
DFW C/6	D/FW Airport, American Gate	DFW Airport, TX	75261	(713) 230-0111	Airport Restaurant Management Corporation
DFW E/12	D/FW Airport, Delta Gate E	DFW Airport, TX	75261	(713) 230-0111	Airport Restaurant Management Corporation
Round Rock	130 Louis Henna Blvd.	Round Rock, TX	78664	(512) 733-7242	Vicki and William Shadden
Denver	10230 E. Arapaho Road	Englewood, CO	80112	(303) 346-2409	Martin Perkins MML Restaurants, Inc.
N. Plano	4032 Preston Road	Plano, TX	75093	(972) 727-4117	Frank and Karna Smith B.B.Q. Inc.
Grapevine Mills ¹	3000 Grapevine Parkway #100	Grapevine, TX	76051	(240) 694-4198	Host Marriott Services USA, Inc.

Store Name	Address	City/State	Zip	Telephone	Franchisee
Vista Ridge ¹	2401 S. Stemmons Freeway	Lewisville, TX	76051	(240) 694-4198	Host Marriott Services USA, Inc.
Downtown	726 N. Harwood @ Federal	Dallas, TX	75201	(972) 492-6796	Ayesha Khan Cubix Enterprises, Inc.
Rowlett	5000 Rowlett Road	Rowlett, TX	75088	(972) 727-4117	Frank and Karna Smith Rowlett BBQ, Inc.
McKinney/Maple ²	2324 McKinney & Maple	Dallas, TX	75201	(972) 772-8340	Tony E. Arterburn, Sr.
De Soto	1001 N. Beckley, Suite 116 A	De Soto, TX	75115	(214) 226-5803	Carlos Turner
Littleton	5350 S. Santa Fe Drive	Littleton, CO	80120	(303) 346-2409	Martin Perkins MML Restaurants, Inc.
NJ Turnpike ¹	New Jersey Turnpike, Mile Marker 116	Ridgefield, NJ	07657	(240) 694-4198	Host Marriott Services USA, Inc.
Coppell	801 Denton Tap South	Coppell, TX	75019	(817) 557-0539	Henggeler, Pat L.
Opry Mills ³	465 Opry Mills Drive	Nashville, TN	37214	(805) 496-6601	FoodBrand LLC
Katy Mills ³	5000 Katy Mills Circle #930	Katy, TX	77494	(805) 496-6601	FoodBrand LLC
Allen	405 Central Expressway South	Allen, TX	75013	(972) 727-4117	Frank and Karna Smith Allen BBQ
Dalrock ²	1700 Dalrock Road	Rowlett, TX	75088	(972) 772-8340	Arterburn Brothers, L.P.
Coit & 190 ²	18120 Coit Road	Dallas, TX	75056	(972) 772-8340	Arterburn Brothers, L.P.
The Colony ²	5745 S.H. 121	The Colony, TX	75056	(972) 772-8340	Arterburn Brothers, L.P.
Arlington	5530 S. Cooper	Arlington, TX	76017	(817) 557-0539	Patrick L. Hengeler
N. Arlington ⁴	1801 Ballpark Way	Arlington, TX	76006	(972) 783-4663	David Boisture Summit Restaurants, L.P.
Fort Worth Zoo	1989 Colonial Parkway	Fort Worth, TX	76110	(817) 759-7500	Fort Worth Zoological Association
Greenville	3201 W. Highway 30	Greenville, TX	75402	(972) 727-4117	Frank and Karna Smith
Renaissance	1201 Elm Street, Suite LL5	Dallas, TX	75270	(214) 360-6264	Shakeel Ahmed
Edinburgh	1201 W. University Drive	Edinburgh, TX	78539	(956) 292-7484	Sodexo Services of Texas, L.P.
Cross Roads	2401 US Highway 3	Cross Roads, TX	76227	(214) 553-0000	Tom Welch Jacobs Convenience Store III, L.P.
Sherman ⁵	529 W. Lamar Street	Sherman, TX	75090	(800) 736-4316	W. Douglass Distributing Limited
Frisco	7070 Preston	Frisco, TX	75034	(972) 239-7559	Paul and Aimee Griffiths FHC Restaurants, Inc.
Forney ⁶	120 E. Highway 80	Forney, TX	75160	(214) 319-9102	Sami Ebrahim Modern Pyramids, Inc.
Waxahachie	1003 Highway 77 North	Waxahachie, TX	75165	(817) 557-0539	Patrick L. Hengeler Samsean, Inc.
Colorado Mills ³	14500 W. Colfax, Suite FC11	Lakewood, CO	80401	(805) 496-6601	FoodBrand LLC

Store Name	Address	City/State	Zip	Telephone	Franchisee
Irving Blvd.	3254 Irving Blvd.	Dallas, TX	7524760 29	(214) 349-9335	Shakeel Ahmed Select Food Enterprises, Inc.
Wylie ⁷	1301 Century Way	Wylie, TX	75098	(972) 429-8525	William Fowler
Hurst ⁸	1858 Precinct Line Road	Hurst, TX	76054	(817) 491-7330	Maggie Holland API Properties 198, LLC
Weatherford	2020 South Main Street	Weatherford, TX	76086	(940) 627-2689	Blake Sandford Weatherford BBQ, L.P.
University Lane	451 University Drive	Fort Worth, TX	76107	(972) 783-4663	David Boisture Summit Restaurants, L.P.
Bryant Irvin	5724 Bryant Irvin Road	Fort Worth, TX	76132	(817) 416-9834	Larry Box
Buffalo	2710 W. Commerce	Buffalo, TX	75831	(903) 322-9150	John Lusk
Beltline/Marsh	3711 Beltline Road	Addison, TX	75001	(972) 661-2006	Alan Bahrami
Flower Mound	3320 Long Prairie	Flower Mound, TX	75022	(817) 491-7330	Maggi Holland API Properties 198, LLC
Blue Mound	1000 N.E. Loop 820	Fort Worth, TX	76106	(817) 626-8080	Ron McFarland
Roanoke	1224 N. Highway 377, Suite 221	Roanoke, TX	76262	(817) 456-8950	Elizabeth Boedecker Almedia Barbecue

⁽¹⁾ Host Marriott Services USA has rights to develop multiple Dickey's Restaurants.

⁽²⁾ Arterburn Brothers, L.P. has rights to develop multiple Dickey's Restaurants within the Dallas/Fort Worth area.

⁽³⁾ Foodbrand LLC has rights to develop multiple Dickey's Restaurants.

⁽⁴⁾ David Boisture has rights to develop multiple Dickey's Restaurants.

⁽⁵⁾ W. Douglass Distributing has rights to develop multiple Dickey's Restaurants.

⁽⁶⁾ Modern Pyramids, Inc. has rights to develop multiple Dickey's Restaurants.

⁽⁷⁾ William Fowler has rights to develop multiple Dickey's Restaurants.

⁽⁸⁾ Dennis and Maggie Holland have rights to develop multiple Dickey's Restaurants.

In addition, as of the date of this Offering Circular, franchise agreements have been signed for Dickey's Restaurants for the following locations, although the Restaurants are not yet opened:

<u>State</u>		<u>Restaurants</u>			
Texas		10			
Store Name	Address	City	Zip	Land Line	Franchisee
McKinney	29 Santa Monica Circle	Wylie, TX	75098	(972) 429-1941	Michael Galligan
N. Tarrant County	3046 Ridgeview Drive	Grapevine, TX	76051	(817) 416-9834	Larry Box
Rockwall	10433 Garland Road	Dallas, TX	75218	(214) 319-9102	Modern Pyramids, Inc.
Little Elm	2908 Samuel Avenue	Dallas, TX	75223	(817) 263-5466	Lakhani Brothers, Inc.
Flower Mound ⁸	5804 Pine Valley Drive	Flower Mound, TX	75022	(817) 491-7330	API Properties 198, Inc.
Cedar Hill	2695 Villa Creek, Suite 270	Dallas, TX	75234	(469) 621-2690	Muhammad (Mo) Afzal
DFW DMA	3200 Rosehill Road	Carrollton, TX	75007	(972) 492-6796	Ayesha Khan
Mansfield	5410 Emerald Park Boulevard	Arlington, TX	76017	(817) 557-0539	Patrick L. Henggeler

In addition, Dickey's estimates that it will grant franchises as follows during the one year period following the date of this Offering Circular:

<u>State</u>	<u>Restaurants</u>
Texas	10
Oklahoma	2
Maryland	2
Ohio	2
Michigan	2
California	2
New York	2
Illinois	2
Delaware	1

ITEM 21 FINANCIAL STATEMENTS

The financial statements listed below are attached to this Offering Circular as Exhibit "A":

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, together with unaudited, internally prepared balance sheet for subsequent interim periods.

Audited balance sheet of Dickey's as of May 31, 2005, and related statements of operations, shareholders' equity and cash flows for the year then ended.

Audited balance sheet of Dickey's as of May 31, 2004, and related statements of operations, shareholders' equity and cash flows for the year then ended.

ITEM 22 CONTRACTS

Attached as Exhibits to this Offering Circular are the following contracts and the attachments thereto:

1. Financial Statements (Exhibit A)
2. Franchise Agreement (Exhibit B)
3. Development Agreement (Exhibit C)
4. Trademark License Agreement (Exhibit D)
5. Operations Manual Table of Contents (Exhibit E)
6. Listing of State Agencies (Exhibit F)
7. Franchise Brokers Addendum (Exhibit G)
8. California Addendum (Exhibit H)