

2007:2008 DISCLOSURE DOCUMENT  
FINAL: 09-04-2007

STATE OF CALIFORNIA  
ANNUAL RENEWAL: 2007-2008  
RECEIVED  
DEPT OF CORPORATIONS  
SAN FRANCISCO

'07 SEP -5 P12:57

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

**UNIFORM FRANCHISE DISCLOSURE DOCUMENT**

**STATE OF CALIFORNIA**

**ANNUAL RENEWAL DATE: SEPTEMBER 20, 2007**

## TABLE OF CONTENTS

	Page
ITEM 1. DICKEY'S AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	3
ITEM 2. BUSINESS EXPERIENCE .....	5
ITEM 3. LITIGATION .....	7
ITEM 4. BANKRUPTCY .....	7
ITEM 5. INITIAL FRANCHISE FEES .....	7
ITEM 6. OTHER FEES .....	8
ITEM 7. ESTIMATED INITIAL INVESTMENT .....	10
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	12
ITEM 9. YOUR OBLIGATIONS .....	14
ITEM 10. FINANCING .....	15
ITEM 11. DICKEY'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	15
ITEM 12. TERRITORY .....	21
ITEM 13. TRADEMARKS .....	22
ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	24
ITEM 15. OBLIGATION TO PARTICIPATE IN OPERATION OF FRANCHISE BUSINESS .....	24
ITEM 16. RESTRICTIONS ON WHAT YOU MAY SELL .....	26
ITEM 17. RENEWAL, TERMINATION AND DISPUTE RESOLUTION .....	28
ITEM 18. PUBLIC FIGURES .....	30
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS .....	30
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION .....	35
ITEM 21. FINANCIAL STATEMENTS .....	45
ITEM 22. CONTRACTS .....	46

EXHIBIT A – Financial Statements

EXHIBIT B – Franchise Agreement

EXHIBIT C – Development Agreement

EXHIBIT D – Trademark License Agreement

EXHIBIT E – Operations Manual Table of Contents

EXHIBIT F – Listing of State Agencies

RECEIPT



## FRANCHISE DISCLOSURE DOCUMENT

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

The franchisee will operate under the name and mark "Dickey's Barbecue Pit" one or more fast casual counter service restaurants specializing in freshly prepared barbecue style meats and other food products. The estimated initial investment required for each restaurant franchise ranges from \$538,000 to \$629,000. This includes the initial franchise fee that must be paid to Dickey's. The amount of the initial franchise fee depends upon whether you acquire the rights to open a single restaurant under a franchise agreement or whether you acquire the rights to develop and operate more than one (1) restaurant unit under a development agreement:

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

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF YOUR FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN ENGLISH. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY. YOU MUST RECEIVE THIS DISCLOSURE DOCUMENT AT LEAST 14 DAYS BEFORE YOU SIGN A BINDING AGREEMENT OR MAKE ANY PAYMENT IN CONNECTION WITH THE FRANCHISE SALE.

BUYING A FRANCHISE IS A COMPLEX INVESTMENT. THE INFORMATION IN THIS DISCLOSURE DOCUMENT CAN HELP YOU MAKE UP YOUR MIND. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL YOUR STATE AGENCY OR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. MORE INFORMATION ON FRANCHISING, SUCH AS "A CONSUMER'S GUIDE TO BUYING A FRANCHISE," IS AVAILABLE FROM THE FTC. YOU CAN CONTACT THE FTC AT 1-877-FTC-HELP OR BY WRITING TO THE FTC AT 600 PENNSYLVANIA AVENUE, NW, WASHINGTON, DC 20580. YOU CAN ALSO VISIT THE FTC'S HOMEPAGE AT [WWW.FTC.GOV](http://WWW.FTC.GOV) FOR ADDITIONAL INFORMATION. IN ADDITION, THERE MAY BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

YOU SHOULD ALSO KNOW THAT THE TERMS OF YOUR CONTRACT WILL GOVERN YOUR FRANCHISE RELATIONSHIP. DON'T RELY ON THE DISCLOSURE DOCUMENT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. SHOW YOUR CONTRACT AND THIS DISCLOSURE DOCUMENT TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

ISSUANCE DATE: September 1, 2007.



## STATE COVER PAGE

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

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administration before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH DICKY'S BY 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 DICKY'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 PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE SUBSTANTIAL MAJORITY OF RESTAURANTS OPERATED BY DICKY'S FRANCHISEES OR BY AN AFFILIATE ARE LOCATED IN THE STATE OF TEXAS. OPERATING RESULTS FOR DICKY'S RESTAURANTS LOCATED OUTSIDE OF TEXAS ARE GENERALLY LESS ESTABLISHED.
4. DICKY'S OR ITS AFFILIATES OR OTHER FRANCHISEES MAY PROVIDE CATERING AND DELIVERY SERVICES AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR A DIFFERENT TRADEMARK, POSSIBLY IN COMPETITION WITH YOUR FRANCHISE.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: \_\_\_\_\_.

**ITEM 1**  
**DICKEY'S AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, "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 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 fast 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 Disclosure Document. While some of Dickey's existing Restaurant franchises offer a cafeteria-style dining format, to meet evolving customer demands and tastes, currently Dickey's only offers franchises featuring counter service dining. Dickey's is not engaged in any other business and does not do business under any other name. Most of the Restaurants are located within suburban shopping centers or in stand-alone buildings located on busy streets, but several Restaurants are located in "non-traditional" venues such as food courts or convenience stores or within institutional settings such as airports. Dickey's currently does not offer franchises for "non-traditional locations" and only offers franchises for Restaurants in leased locations situated within shopping centers. Dickey's does not offer franchises other than the kind described in this Disclosure Document. Dickey's does not operate any Restaurants of the kind described in this Disclosure Document, but Dickey's Barbecue Pit, Inc. ("DBP"), a Texas corporation affiliated with Dickey's, has operated similar Restaurants since 1941, and Restaurant Growth, Inc. ("RGI"), a Texas corporation affiliated with Dickey's, opened a similar Restaurant in 2006.

Dickey's agent for service of process in the State of California is the Commissioner of the California Department of Commerce, 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 generally utilizing the cafeteria-style format but offering the same food products as the counter service franchises described in this Disclosure Document since 1941. As of the date of this Disclosure Document, DBP (or RGI) operates five (5) pit barbecue cafeteria-style Restaurants in the Dallas, Texas metropolitan area and one (1) table service "Smokehouse" Restaurant in Albuquerque, New Mexico. These Restaurants utilize the latest in barbecue cooking technology and several proprietary concepts and recipes. Food offerings feature slow-smoked meats and vegetables and salads. When reference is made in this Disclosure Document to company-owned or company-operated Restaurants, this means Restaurants owned and operated by DBP (or RGI). DBP (or RGI) does not, and has not, franchised Restaurants or any other kind of business.

Pursuant to this Disclosure Document, Dickey's is offering qualified individuals, corporations and partnerships the opportunity to develop and operate Restaurants pursuant to a comprehensive and unique system (the "System") that includes rights to use the Mark and various trade names, trademarks and service marks as well as distinctive exterior and interior design, 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 (2) arrangements:

1. The first arrangement is a single franchise agreement ("Franchise Agreement") under which you shall establish one (1) Restaurant at a specified location. The Franchise Agreement that you will be required to

execute for this Restaurant is attached to this Disclosure Document as Exhibit "B". (See Item 5 regarding initial Franchise Fee).

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

If you are considering a single franchise, you will receive a copy of our Franchise Agreement. If you are considering more than one (1) franchised Restaurant, you will receive copies of both the Franchise Agreement and the Development Agreement.

The Restaurants' products and services are marketed to customers of all ages and economic levels. Preferred locations for the Restaurants are in heavily populated suburban areas on or near major streets and highways.

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 lease sites suitable for restaurants.

Dickey's believes its competitive position will be enhanced due to its distinctive offering of barbecue style food using high quality, fresh ingredients and proprietary recipes served quickly at affordable prices and in a comfortable, friendly setting. Although Dickey's continues to develop or franchise Restaurants in Texas, where its name and reputation are well established, Dickey's is now offering franchises for Restaurants throughout the United States and, on a limited basis, internationally. 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 Disclosure Document, together with all franchise brokers. The principal occupation and business experience of each during the last five (5) 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.

Chief Executive: Roland R. Dickey

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

President: Roland Dickey, Jr.

Roland Dickey, Jr., son of Roland R. Dickey, began working at Dickey's in 1999, and in 2006, became the President of Dickey's.

Director of Real Estate: Cullen Dickey

Cullen Dickey, son of Roland R. Dickey, previously worked as an independent commercial real estate broker in the Dallas, Texas area, and began service with Dickey's in 2006.

Director of Operations: Mark Frank

Mark Frank worked as a vice president for corporate development for Wendy's and Cinnabon franchises in Hartford, Connecticut and, before that, as the director of operations for a McDonald's franchise in Dallas, Texas before joining Dickey's in 2006.

Director of Franchise Development: Owen Edwards

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

Director of Training: Mike Miller

Mike 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.

Director of Marketing: Diana Pugh

Diana Pugh was a Marketing Manager for The Dallas Morning News from 2000 – 2004 and Marketing Director at Wol+Med Medical Clinic and Rehab Center from 2004 – 2007 before joining Dickey's in 2007.

Training Manager: Randy Hubbard

Randy 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.

Director of Finance, Design and Construction: Jerrel L. Denton

Prior to joining Dickey's in 2006, Jerrel Denton was Vice President and co-owner of Promontory International, Inc., a Master Franchisor for Mega Wraps Restaurants in Texas from 2003 - 2006. Before then, Mr. Denton managed operations, developed numerous real estate projects, and managed several training and development programs for various organizations including SRI, a Sonic Restaurant franchisee, CKE Taco Bueno Restaurants in Dallas, Texas, and Grandy's, Inc., a restaurant company located in Lewisville, Texas.

Director of Accounting: Michelle Frazier

Michelle Frazier joined Dickey's in 2002 as an Accounting Manager and now serves as Director of Accounting.

Director of Franchise Administration: Jocelyn Baron

Following her graduation from Texas A&M University in 2004, Jocelyn Baron worked for Freebird's World Burrito as General Manager prior to joining Dickey's in June of 2006.

Franchise Business Consultant: Kent Balsley

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

Franchise Business Consultant - Chris Pisciotta

Chris Pisciotta worked for Domino's Pizza as a franchise operations manager, field supervisor and store manager before joining Dickey's in 2006.

Franchise Business Consultant: David Flores

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

Franchise Business Consultant: Joseph Sapoznikov

Joseph Sapoznikov has worked in the restaurant industry for 24 years. Most recently, he worked for Sweet Factory as an Area Supervisor from 2005 – 2006, and before that with McDonald's from 1998 – 2005. Mr. Sapoznikov joined Dickey's in 2007.

Franchise Broker: Joe Amodio

Joe Amodio and his company, Fransales, Inc., began serving as a franchise broker for Dickey's in June, 2005. Previously, Mr. Amodio developed Blimpie franchises beginning in 1997. In addition, as President of Texwide Development, Inc., Mr. Amodio served as area developer for the "Philly Connection" franchise system in Texas.



Franchise Broker: Clay Carson

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

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

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

**ITEM 3  
LITIGATION**

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

**ITEM 4  
BANKRUPTCY**

During the fifteen (15) year period immediately preceding the date of the Disclosure Document, 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 FEES**

Single Unit Arrangement. If you acquire the right to operate one (1) Restaurant, an initial Franchise Fee of \$30,000 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 (2) or more Restaurants under the Development Agreement, you are required to pay Dickey's a Development Fee of \$30,000 plus \$10,000 for each Restaurant after the initial Restaurant. The Development Fee is payable in a lump sum to Dickey's upon execution of the Development Agreement. From this Development Fee, \$30,000 shall be applied to the Franchise Fee for the initial Restaurant, and each \$10,000 deposit shall be applied toward the reduced \$10,000 Franchise Fee for each subsequent Restaurant if you timely satisfy the timetable and comply with the other terms of your Development Agreement. Otherwise, if you do not timely develop and open your Restaurant and comply with the other terms of the Development Agreement, the standard Franchise Fee of \$30,000 shall apply to each Restaurant you develop.

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

The Franchise Fee and Development Fee are each non-refundable.

**ITEM 6  
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty <sup>1,2</sup>	5% of Net Sales	Payable monthly on the 10th day of each calendar month	See footnote <sup>4, 5</sup>
Marketing Fund <sup>1,2</sup>	3% of Net Sales	Payable monthly on the 10 <sup>th</sup> calendar day of each month	See footnote <sup>4, 5</sup>
Advertising <sup>3</sup> (Local)	1% of Net Sales	As negotiated with local vendors	Paid to vendors or local advertising co-op <sup>4</sup>
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 <sup>6</sup>
Training Materials and Uniforms <sup>1</sup>	\$100 per person	1 week prior to beginning training	See footnote <sup>7</sup>
Audit <sup>1</sup>	Cost of audit plus 10% interest	30 days after billing	Payable only if audit shows under statement of at least 2% of Net Sales for any month <sup>4</sup>
Site Evaluation Costs <sup>1</sup>	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 <sup>1</sup>	\$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 <sup>1</sup>	\$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 <sup>1</sup>	5% of Net Sales	Payable monthly	Only payable if Dickey's elects to operate the restaurant after your death or disability <sup>4</sup>
Interest <sup>1</sup>	15% or maximum rate, whichever is less	Immediately	See footnote <sup>8</sup>
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; these fees are payable to Dickey's and are non-refundable

<sup>1</sup>The fee is uniformly imposed by and payable only to Dickey's and is nonrefundable.

<sup>2</sup>You are required to pay to Dickey's a royalty fee equal to five percent (5%) of Net Sales of the Restaurant and a contribution to the Marketing Fund equal to three percent (3%) of Net 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 Net Sales for the Sales Period.

<sup>3</sup>In addition to the mandatory Marketing Fund contribution, you are obligated to expend not less than one percent (1%) of your Net Sales on 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. This requirement is uniformly imposed and is non-refundable.

<sup>4</sup>"Net Sales" includes all revenue from the sale of food, beverages, services and products from in-store dining, carry-out delivery, catering, and otherwise, including, but not limited to, the sale of food and beverages, redemption of gift 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 Net Sales excludes sales tax or other taxes collected from customers by you and paid to the appropriate taxing authority, employee meals and discounts for meals purchased with promotional coupons approved by Dickey's.

<sup>5</sup>Dickey'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 Net Sales, shall be paid (or drafted) and filed on Wednesday following the applicable calendar week.

<sup>6</sup>If you, for any reason, fail to obtain or maintain the insurance required by each Franchise Agreement entered into between Dickey's and you, as these requirements may be revised from time to time by Dickey's in its Operations Manual and such other manuals, written materials and 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 the same to you, which charges, together with a reasonable fee for Dickey's expenses in so acting, will be payable by you immediately upon notice. Insurance costs are non-refundable. Insurance coverage requirements are uniformly imposed on all franchisees subject to this 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.

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

<sup>8</sup>Interest is not charged unless Royalty, Marketing Fund contribution, Transfer or Renewal Fee payments, or any other sum due to Dickey's is not paid when due.

[THIS SPACE LEFT INTENTIONALLY BLANK]

## ITEM 7 ESTIMATED INITIAL INVESTMENT

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

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee <sup>(1), (13)</sup>	\$30,000	Lump Sum	Execution of Franchise Agreement	Dickey's
Architectural Plans <sup>(2), (14)</sup>	\$14,000 – \$18,000	Lump Sum	30 days after execution of lease or land purchase	Architectural firm
Leasehold Improvements <sup>(3), (14)</sup>	\$224,000 – \$254,000	Negotiable	Negotiable	Landlord
Furniture, Fixtures, Equipment and Signage <sup>(4), (14)</sup>	\$180,000 – \$210,000	Lump Sum	As Incurred	Vendors, Contractors
Lease Deposits <sup>(14), (15)</sup>	\$8,000 – \$10,000	Lump Sum	As Incurred	Landlord, Utilities
Permits <sup>(5), (14)</sup>	\$1,000 – \$4,000	Lump Sum	As Incurred	State or Municipal Agencies
Insurance <sup>(6), (14)</sup>	\$10,000	Annual	Annual	Insurance Agents
Training Manual and Uniforms <sup>(16)</sup>	\$600	Lump Sum	Upon Receipt	Vendor
Opening Inventory and Services <sup>(7), (14)</sup>	\$15,000	Lump Sum	Vendors' Terms/As Incurred	Vendors/Dickey's
Additional Funds <sup>(8), (14)</sup>	\$25,000 – \$35,000	Cash	As Needed	Various Payees
Promotional and Pre-Opening Expenses <sup>(9), (10), (14)</sup>	\$19,000	Cash	As Incurred	Dickey's and Vendors
Professional Fees <sup>(11), (14)</sup>	\$1,000 – \$3,000	As Arranged	As Arranged	Vendors
Sub Total <sup>(17)</sup>	\$525,800 – \$608,600			
Closing Costs – Interim Interest <sup>(12), (14)</sup>	\$7,000 – \$8,000	As Arranged	As Arranged	Lender
Closing Costs – Bank Charges <sup>(12), (14)</sup>	\$6,000	As Arranged	As Arranged	Lender
Closing Costs – SBA Fees <sup>(12), (14)</sup>	\$9,000 – \$22,000	As Arranged	As Arranged	SBA
Total	\$547,800 – \$644,600			

<sup>(1)</sup> See Item 5 for initial fee required for multiple unit arrangement under Development Agreement, and for circumstances when the Franchise Fee may be discounted and/or negotiated.

<sup>(2)</sup> 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 mainly based upon Dickey's experience in the Dallas, Texas metropolitan area.

<sup>(3)</sup> Dickey's requires that you lease the premises for the Restaurant. The amounts provided are based on a Restaurant within a shopping center or free-standing structure with approximately 2,500 square feet, and assumes conversion or finish-out costs of approximately \$95 per square foot. These amounts further assume you will engage a construction manager to oversee the project, and the amounts include construction management costs of \$10,000 to \$15,000. Your costs may be lower if the landlord assumes the costs of converting and finishing out the space to Dickey's prototypical standards and specifications. Any such contribution by the landlord will likely, however, be factored into a higher lease rental rate. These amounts are Dickey's best estimate based upon commercial leasing and remodeling/finish-out rates and conditions in the Dallas, Texas metropolitan area and may vary substantially based upon local commercial leasing, cost of utility deposits, and labor rates and conditions and the availability and prices of materials.

<sup>(4)</sup> These amounts include costs for tables, chairs, track lighting fixtures, cabinets and decor items required for the Restaurant, costs for the Aloha Point-of-Sale system and Intacct/Profit Management Console, computer hardware and software, refrigeration and other kitchen equipment, hood and fire and ventilation system and stainless steel, a catering van and catering equipment, and a "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.

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

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

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

<sup>(8)</sup> 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 (3) months of operations. These amounts may vary depending upon your sales volume, your management skill, how closely you follow the Dickey's methods and procedures, local economic conditions and wage rates, competition, your financing costs and upon other circumstances. These amounts are estimates, and Dickey's cannot guaranty that you will not have additional expenses starting the Restaurant.

<sup>(9)</sup> 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.

<sup>(10)</sup> 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.

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

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

<sup>(13)</sup> These amounts are non-refundable.

<sup>(14)</sup> These amounts may or may not be refundable depending on the nature of the expenditure and your arrangement with the vendor.

<sup>(15)</sup> The amounts provided are based on Restaurants within shopping centers or free-standing structures with approximately 2,500 square feet.

<sup>(16)</sup> The cost of the training manuals and uniforms is \$100 per person. The cost of the manual is payable to Minuteman Press and the cost of the Uniforms is payable to Excel Screen Printing, Inc. These costs are typically non-refundable.

<sup>(17)</sup> Dickey's has relied on its more than sixty-six (66) 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. The Initial Investment estimates relate to a single Restaurant. You may extrapolate from these estimates and from Item 5 the initial investment required for opening more than one (1) Restaurant under the Development Agreement arrangement.

---

Neither Dickey's nor any affiliate of Dickey's offers any financing for your initial Franchise Fee or any portion of your initial investment. Dickey's will be pleased to refer you to independent lenders who may finance some portion of your initial investment, but Dickey's makes no promises that any such financing will be available to you, and Dickey's does not guarantee any such loans to you.

## **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. It is anticipated that the costs of these food products will be insignificant in relation to 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. Certain approved suppliers currently or may hereafter pay Dickey's or an affiliate (including the Marketing Fund) compensation or otherwise credit the account of Dickey's or an affiliate a sales incentive or rebate ranging up to fifteen percent (15%) based upon purchases you may make from such 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 the fiscal year ending May 31, 2007, Dickey's realized \$759,650 from vendor rebates or credits which represented about 16.72% of Dickey's total revenues of \$4,542,682. Dickey's applies such sums to defray its costs in discharging its duties and obligations to its franchisees, to partially fund the Marketing Fund, and to generate revenues. 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 criteria. It is anticipated that the review process will take thirty (30) days.**

Dickey's requires that you purchase and utilize the Aloha Point-of-Sale system, further requires you to purchase and utilize the Intacct/Profit Management Console software, and may from time to time additionally require Dickey's franchisees to utilize additional hardware or software programs. If so required by Dickey's, you are obligated to use such hardware and software in the operation of your Restaurant. In addition, Dickey's may subsequently from time to time require you to purchase and utilize any upgrades, enhancements or replacements of the hardware or software that are developed by or on behalf of Dickey's, or otherwise required by Dickey's at such cost as Dickey's or its approved vendors make such upgrades, enhancements, and replacements available to franchisees operating under the System (see Item 6). The amount of the cost of these upgrades, enhancements or replacements is anticipated to be insignificant in relation to all purchases and leases by you for the establishment and operation of the Restaurant. Dickey's does not permit franchisees to contract with any alternative suppliers of computer hardware and software other than those approved in Dickey's sole judgment and discretion.

You must purchase or lease 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. 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 criteria. 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 approved vendors and suppliers, and any failure to do so may put you in default under your Franchise Agreement. Further, you may not further modify or manipulate (except for pricing) the database for the computer software systems without Dickey's prior consent. 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.

[THIS SPACE LEFT INTENTIONALLY BLANK]

## 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 DISCLOSURE DOCUMENT.

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



**ITEM 10  
FINANCING**

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

**ITEM 11  
DICKEY'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

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 such 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 acceptance. (Franchise Agreement - Article 3).
4. Provide you with a list of approved architects to whom Dickey's has supplied a set of prototypical architectural and design plans for a Dickey's Barbeque Restaurant. You will be required to independently and at your own expense have the architectural and design plans and specifications adapted for the finish-out or renovation of your Restaurant by the Dickey's-approved architect of your choice. Dickey's must review and approve all plans and specifications for the finish-out or renovation of your 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). See Item 8 regarding equipment, opening inventory and supplies provided by Dickey's or its approved suppliers and any written specifications for these items.
6. Provide an initial training program for two (2) designated managers and your Operating Principal. (Franchise Agreement - Article 3).

Dickey's will provide instructors and certain 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 eighteen (18) days and will be conducted at Dickey's corporate training center in Plano, Texas (a suburb of Dallas, Texas), or at another restaurant or location designated by Dickey's in the Dallas, Texas area. (Franchise Agreement - Article 9).

[THIS SPACE LEFT INTENTIONALLY BLANK]

## TRAINING PROGRAM

Subject	Time begun	Instructional material	Hours of classroom training	Hours of on the job training	Instructor
Restaurant Operation	Within 60 days of opening	Operations Manual	Up to 8	Up to 66	Randy Hubbard Mike Miller Mark Frank
Food Preparation and Service	Within 60 days of opening	Recipe Book	Up to 8	Up to 40	Randy Hubbard Mike Miller Mark Frank
Station Training	Within 60 days of opening	Training Manual	0	Up to 4	Randy Hubbard Mike Miller Mark Frank
Purchasing	Within 60 days of opening	Operations Manual	Up to 8	Up to 8	Randy Hubbard Mike Miller Mark Frank
Accounting and Controls	Within 60 days of opening	Operations Manual	Up to 8	Up to 4	Randy Hubbard Mike Miller Mark Frank
Marketing & Advertising	Within 60 days of opening	Marketing Catalog	Up to 18	Up to 8	Diana Pugh
<b>TOTAL HOURS</b>			Up to 50	Up to 130	

7. Loan you one (1) Manual. 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 such add-on consoles as Dickey's may require) allowing Dickey's to monitor and categorize cash register transactions at your Restaurant by item. The proprietary point-of-sale 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. This point-of-sale system currently costs \$6,676.24. Dickey's currently requires that you implement and use the Intacct/Profit Management Console accounting system, a product of Transactional Web, Inc., 4009 Old Denton Road, Carrollton, Texas 75007 (Telephone: 877-863-0362), the only supplier currently approved by Dickey's. This accounting system currently costs \$150.00. Dickey's may also from time to time require you to purchase and utilize any upgrades, enhancements and replacements of the software and hardware developed by or on behalf of Dickey's, or otherwise required by Dickey's, at such cost as Dickey's or its approved vendors make such upgrades, enhancements and replacements available to franchisees operating under the System. (See Item 6). (Franchise Agreement - Article 8). You will have independent access to the information that will be generated or stored in the point-of-sale and accounting systems, but you may not manipulate the data that is generated.

8. Provide you with a list of approved suppliers and preferred vendors, 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 to you, upon your request, subject to the approval of Dickey's and at such cost as Dickey's makes these materials available to other franchisees operating under the System, copies of any then-current training films and instructional videos and audio materials that may be from time to time developed and made available to franchisees by Dickey's. (Franchise Agreement - Article 3).

5. Conduct, in its discretion, meetings, seminars, and other related activities regarding the operation of Restaurants for franchisees generally, which you may attend. Except as approved by Dickey's, any costs incurred by you or Restaurant personnel in attending such events will be your responsibility. (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 percent (20%) or more interest in the Franchise Agreement, the Restaurant or in you, or any person with a smaller interest if Dickey's determines, in its sole discretion, that this person had substantial control or supervision over the management of the Restaurant. (See Item 6). Such interim management is provided by Dickey's at its option and Dickey's will charge a monthly management fee of five percent (5%) of Net Sales plus pass through costs and expenses. (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 one percent (1%) of the Restaurant's Net Sales on local advertising. You will furnish Dickey's with evidence of local advertising expenditures on a monthly basis.

2. 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 catalog 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 catalog or have not been prepared by Dickey's or previously approved by Dickey's during the six (6) months prior to their proposed use. You are required to submit such unapproved plans and materials to Dickey's. Dickey's has fifteen (15) days from the date of receipt of these materials to approve or disapprove such plans and materials. You may not use unapproved plans or materials until they have been approved by Dickey's, and are required to promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Dickey's.

3. 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.

4. Dickey's or an affiliate administers a Marketing Fund for the purpose of producing marketing materials for the System on a system-wide basis (the "Fund"). You are required to make a continuous contribution to the Fund in an amount equal to three percent (3%) of the Net 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 or its designees and will not be used to defray any of Dickey's general operating expenses, except for such reasonable administrative costs, salaries and overhead, that Dickey's may incur in activities reasonably related to the administration or direction of the 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 calendar year 2006, monies in the Fund were expended as follows:

<u>Category</u>	<u>Percentage</u>	<u>Dollar Amount</u>
Administrative	8.89%	\$ 60,609.20
Production	10.59%	\$ 72,220.66
Media Placement	65.84%	\$ 449,032.11
Other <sup>1</sup>	<u>14.69%</u>	<u>\$ 100,156.63</u>
	100%	\$ 682,018.60

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.

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

D. Site Selection.

1. Dickey's requires that you lease the Restaurant site. Typically, Dickey's does not own the restaurant sites leased to its franchisees. The site for the Restaurant is selected by you, subject to the acceptance of Dickey's. The Restaurant may not be relocated without Dickey's prior written consent. Before you lease the site for the Restaurant, you are required to locate a site that satisfies the site selection guidelines provided to you by Dickey's and submit to Dickey's, in the form specified by Dickey's, a description of the site, including evidence satisfactory to Dickey's demonstrating that the site satisfies Dickey's site selection guidelines, together with other information and materials that Dickey's may require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. You shall submit such information for the proposed site to Dickey's for its acceptance no later than one hundred fifty (150) days after the execution of the Franchise Agreement. Dickey's will have thirty (30) days after receipt of this information and materials from you to approve or disapprove, in its sole discretion, the proposed site as the location for the Restaurant. You are required to acquire by lease, at your expense, the site for Restaurant within one hundred eighty (180) days after execution of the Franchise Agreement unless Dickey's decides, in its discretion, to extend such period. You must obtain the acceptance from Dickey's of any lease for the Restaurant premises prior to execution by you. (See Item 9). If you fail to acquire a site for the Restaurant within the required period, Dickey's may, among other things, terminate the Franchise Agreement upon the expiration of the seven (7) day notice and cure period.

2. Dickey's will provide to you such site selection guidelines and such site selection counseling and assistance as Dickey's deems advisable. Dickey's guidelines for site selection require an evaluation of the demographics of the market area for the location, (including the population and income level of residents in the market area), size and other physical attributes of the location, proximity to residential neighborhoods and proximity to shopping centers, entertainment facilities, and other businesses that attract consumers and generate traffic.

3. Dickey's will also provide on-site evaluation of a proposed site if Dickey's deems this to be necessary or in response to your request for site assistance; Dickey's will not provide on-site evaluation for any proposed site prior to the receipt of the materials required to be submitted to Dickey's as described above. Dickey's will provide up to three (3) on-site evaluations for your Restaurant (and for each Restaurant under 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 (6) months to one (1) year. The actual time required may vary depending upon the time necessary to locate and then approve a site, financing, the permits and licenses necessary for the finish-out or renovation of the Restaurant and the operation of the Restaurant finish-out or renovation as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, preparation of the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and landscaping, and complete preparation for the operation of the Restaurant, including purchasing inventory and supplies. You are obligated to open the Restaurant and commence business within one (1) year following the execution of the Franchise Agreement, or in accordance with the development schedule set forth in the Development Agreement, as applicable.

E. Training:

1. Not later than twenty (20) days prior to the opening date of the Restaurant, your Operating Principal and two (2) other managers are required to have completed, to Dickey's satisfaction, Dickey's initial training program. (See Item 15). Training will be conducted at Dickey's corporate training center and/or at a company-operated Restaurant or another location designated by Dickey's. Dickey's

current corporate training center is in Plano, Texas. Dickey's will determine, in its sole discretion, whether your employees have satisfactorily completed initial training. Dickey's anticipates that completion of the initial training program will require approximately four (4) weeks. If the training program is not satisfactorily completed by your employees, or if Dickey's, in its reasonable business judgment based upon the performance of your employees, determines that the training program cannot be satisfactorily completed by such person(s), you must immediately designate a replacement employee(s), as applicable, to complete such training.

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 provide you with an "opening team" consisting of one or more Dickey's employees or representatives to provide on-site training, supervision and assistance at your Restaurant for a period of from ten (10) to fourteen (14) days which shall take place before and after the date of opening of the Restaurant and need not occur on consecutive days. 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 four (4) people and is headed by Mike Miller. (See Item 2). Randy Hubbard, Mark Frank and Diana Pugh are the other in-house members of Dickey's training staff. (See Item 2). Collectively, Dickey's training staff has over 116 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.

## 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. You will offer the approved products and services of the System through your Restaurant. You do not have the right to use alternative channels of distribution (e.g. catalog sales, internet sales, etc.) in connection with offering the products and services of the System unless otherwise approved by Dickey's.

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

The specific street address of the accepted 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 (1) mile of the Restaurant site. You are required to operate the Restaurant only at this accepted location and may not relocate the Restaurant without Dickey's prior written consent based upon its sole judgment and discretion. You may not establish or operate another Restaurant except pursuant to a separate Franchise Agreement.

Except as provided below, during the term of the Franchise Agreement and subject to your full compliance with the Franchise Agreement, neither Dickey's nor DBP will establish or operate a Restaurant or license 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), 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 catalog 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.

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

Subject to your full compliance with the Development Agreement and 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 catalog 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 Disclosure Document 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.

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

Dickey's acquired from DBP the right to use and license the use of the Proprietary Marks and System pursuant to a nonexclusive, perpetual license agreement from DBP. (See Item 1). 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 Agreement 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 (1) or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin if Dickey's, in its sole discretion, determines that such addition or substitution will be beneficial to the System. Dickey's will reimburse you for your direct out-of-pocket expenses incurred in such change up to a maximum amount of \$2,000.

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

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

1. To use and to grant other licenses for the use of the Proprietary Marks in addition to those licenses already granted to existing franchisees;
2. To develop and establish other systems using the Proprietary Marks or other names or marks and to use and to grant licenses or franchises thereto without providing any rights therein to you; and
3. To engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (i) the production, distribution, license and sale of products and services and (ii) the use in connection with such production, distribution, license and sale, of the Proprietary Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or used from time to time by Dickey's.

There are no currently effective material determinations of the U.S. Patent and Trademark Office 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, COPYRIGHTS AND PROPRIETARY INFORMATION**

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 holder of a beneficial interest of less than twenty percent (20%) of any class of securities of you and any corporation directly or indirectly controlling you, if you are a corporation, (or the securities of a corporate general partner and any corporation which controls, directly or indirectly, any general partner, or from any limited partner, if you are a partnership), having access to any confidential information of Dickey's, to execute covenants that they will maintain the confidentiality of the information they receive in connection with their relationship with you. (See Item 17).

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 twenty percent (20%) 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 twenty percent (20%) interest in the operating profits and operating losses of the partnership and at least a twenty percent (20%) ownership interest in the partnership and at least a twenty percent (20%) interest in the shares of each class of capital stock of any corporate general partner, and (ii) be entitled under 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 twenty percent (20%) 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 twenty percent (20%) 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 (1) Restaurant, the Operating Principal is required to successfully complete Dickey's initial training program and devote full time and best efforts to the supervision and management of your Restaurant, unless Dickey's, in its sole discretion, permits you to designate a manager other than the Operating Principal to carry out the day-to-day management and supervision of the Restaurant. If you operate two (2) or more 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 thirty (30) days after the Operating Principal or manager ceases to serve. Any replacement will be subject to the same qualifications listed above. You must provide for interim management of the Restaurant until a replacement is designated, and this interim management must be conducted in accordance with the Franchise Agreement.

You are required to retain such additional managers, chefs, and other persons as Dickey's deems necessary for the operation and management of the Restaurant. All such personnel must satisfy Dickey's educational and business criteria as provided to you in the Manuals or otherwise and must be individuals

acceptable to Dickey's. These individuals must also satisfy the applicable training requirements in Article 9 of the Franchise Agreement.

You may not employ any individual who is at the time or was at any time during the prior six (6) months employed in a managerial or administrative position by Dickey's or any of its subsidiaries or affiliates without the prior written consent of Dickey's. As a condition to such consent, you may be required to compensate the former employer for the reasonable costs and expenses incurred by the employer in connection with the training of any replacement employee.

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 percent (20%) 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 percent (20%) 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 (3) days after receipt, a copy of any inspection report, warning, citation, certificate, rating and any other document issued by any federal, state, local or other administrative agency, instrumentality or organization with respect to the health or safety conditions of the Restaurant.

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

[THIS SPACE LEFT INTENTIONALLY BLANK]

**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 DISCLOSURE DOCUMENT.**

**THE FRANCHISE RELATIONSHIP**

	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/ <i>Not applicable.</i>	If you are not in default you can renew franchise for 10 additional years. The "renewal" of the franchise means that you may continue to operate the franchise at the existing location for an additional 10 years provided, among other things, that you execute Dickey's then current Franchise Agreement which may contain different terms and conditions from the original franchise agreement. <i>Not applicable.</i>
c.	Requirements for you to renew or extend	Article 2/ <i>Not applicable.</i>	Pay \$10,000 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, give 6-12 months notice, satisfy all monetary obligations, provide evidence of right to possession for renewal term, execute release (unless prohibited by applicable local law), comply with then current qualifications and training. <i>Not applicable</i>
d.	Termination by you	Articles 16, 17/ Article 6	For a 30 day period following your failure to acquire an accepted 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	7 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 5 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 accepted location, failure to satisfactorily complete training program, merger, consolidation or dissolution, levy or foreclosure of your assets, unapproved transfers, failure to open restaurant within 1 year, repeated defaults even if cured. <i>Failure to pay development fee, 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, 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 Item 17r., 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 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>

	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)
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>
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 Restaurant (including after assignment)./ <i>No competing business for 2 years within the territory or within 5 miles of another 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./ <i>Litigation must be in Dallas County, Texas except as otherwise required by applicable state law.</i>
w.	Choice of law	Article 26/ Article 14	Texas law applies except as otherwise required by applicable state law./ <i>Texas law applies except as otherwise required by applicable state law.</i>

[THIS SPACE LEFT INTENTIONALLY BLANK]

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], and 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 currently does not use or pay or compensate any public figure to promote its franchise, but reserves the right to do so in the future.

#### **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) the franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

The following information based on historical data is provided for the purpose of helping you evaluate the potential sales and earnings of a counter service Restaurant opened and operated under the franchise offered hereby.

The information is compiled based on the calendar year 2006 performance of the six (6) company-owned Restaurants and the thirty-one (31) "traditional" franchised Restaurants that were in operation for all of the calendar year 2006. This sample includes Restaurants of varying ages. As a compilation, the information does not depict the individual performance of any single Restaurant. Rather, the information is derived from the actual performance of the company owned Restaurants and on information obtained from a sampling of franchisees regarding the performance of their Restaurants. Although Dickey's believes that the sampling of franchised Restaurants is representative, Dickey's has not reviewed the financial performance of all of the franchised Restaurants. Additionally, Franchisees may employ varying accounting principles in presenting their information, which may effect the presentation, and the information has not been audited or verified. Further, while the information provided herein is based upon data from Restaurants featuring both counter service and cafeteria-style dining formats and Restaurants located in both leased and owned locations, Dickey's believes that this information is representative of counter service-type Restaurants located at leased locations offered in this Disclosure Document. Finally, the substantial majority of the Restaurants considered for this compilation are located in the Dallas-Fort Worth, Texas metropolitan area, where the Dickey's name and food offerings are well-established.

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.



A. Statement of Net Sales of Representative Restaurants:

For the period August 1, 2006 to July 31, 2007, Net 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
0	18	7	12	37

B. Average Net Sales for representative Restaurants during August 1, 2006 to July 31, 2007 was \$1,140,894.58. The number of representative Restaurants that met or exceeded the average Net Sales was 17.

C. Representative Sales and Earnings Statement:  
Lease/Conversion Restaurants:

	SALES	% INCOME	SALES	% INCOME	SALES	% INCOME
<b>INCOME:</b>						
Net Sales	600,000.00	100.0%	1,000,000.00	100.0%	1,400,000.00	100.0%
<b>TOTAL INCOME</b>	<b>600,000.00</b>	<b>100.0%</b>	<b>1,000,000.00</b>	<b>100.0%</b>	<b>1,400,000.00</b>	<b>100.0%</b>
<b>COST OF GOODS SOLD:</b>						
Produce/Grocery	84,000.00	14.00%	140,000.00	14.00%	196,000.00	14.00%
Meat	120,000.00	20.00%	200,000.00	20.00%	280,000.00	20.00%
Wood	1,800.00	0.30%	3,000.00	0.30%	4,200.00	0.30%
Linen	2,400.00	0.40%	4,000.00	0.40%	5,600.00	0.40%
Breakage/Replacement	1,200.00	0.20%	2,000.00	0.20%	2,800.00	0.20%
Menus/Printing	600.00	0.10%	1,000.00	0.10%	1,400.00	0.10%
Soap/Cleaners	1,200.00	0.00%	2,000.00	0.00%	2,800.00	0.00%
Maintenance Contracts	1,800.00	0.30%	3,000.00	0.30%	4,200.00	0.30%
Store Supplies - Short Term	30,000.00	5.00%	50,000.00	5.00%	70,000.00	5.00%
Short Term Repair	3,000.00	0.50%	5,000.00	0.50%	7,000.00	0.50%
<b>TOTAL COST OF GOODS SOLD</b>	<b>246,000.00</b>	<b>41.00%</b>	<b>410,000.00</b>	<b>41.00%</b>	<b>574,000.00</b>	<b>41.00%</b>
<b>GROSS PROFIT</b>	<b>354,000.00</b>	<b>59.00%</b>	<b>590,000.00</b>	<b>59.00%</b>	<b>826,000.00</b>	<b>59.00%</b>
<b>EXPENSES:</b>						
Salaries General	96,000.00	16.00%	160,000.00	16.00%	224,000.00	16.00%
Salaries Management	24,000.00	4.00%	40,000.00	4.00%	56,000.00	4.00%
Salaries Commissions	6,000.00	1.00%	10,000.00	1.00%	14,000.00	1.00%
Payroll Taxes	11,400.00	1.90%	19,000.00	1.90%	26,600.00	1.90%
Automotive	3,180.00	0.53%	5,300.00	0.53%	7,420.00	0.53%
Equipment Rent	2,290.00	0.38%	3,800.00	0.38%	3,800.00	0.27%
Bank/Credit Card Fees	10,200.00	1.70%	17,100.00	1.71%	26,600.00	1.90%
Trash Disposal	3,600.00	0.60%	6,300.00	0.63%	8,800.00	0.63%
Utilities & Phone	14,200.00	2.37%	24,100.00	2.41%	37,100.00	2.65%
Insurance	7,800.00	1.30%	8,200.00	0.82%	8,200.00	0.59%
Occupancy Cost	60,000.00	10.00%	100,000.00	10.00%	110,000.00	7.86%
Allocated Administrative	1,000.00	0.17%	3,000.00	0.30%	6,000.00	0.43%
Advertising	24,000.00	4.00%	40,000.00	4.00%	56,000.00	4.00%
Royalty	30,000.00	5.00%	50,000.00	5.00%	70,000.00	5.00%
Misc.	1,000.00	0.17%	2,000.00	0.20%	3,000.00	0.21%
<b>TOTAL EXPENSES</b>	<b>294,670.00</b>	<b>49.11%</b>	<b>488,800.00</b>	<b>48.88%</b>	<b>657,520.00</b>	<b>46.97%</b>
<b>PRE-TAX OPERATING INCOME</b>	<b>59,330.00</b>	<b>9.89%</b>	<b>101,200.00</b>	<b>10.12%</b>	<b>168,480.00</b>	<b>12.03%</b>

## 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 Net 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, vendor relationships and local reasons, among other reasons.

**Expenses.** Expenses are projected to vary based on activity levels 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 sampled.

**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.

**Occupancy Cost.** The occupancy cost is based on current rental rates in Dallas, Texas for a triple-net lease for an approximately 2,500 square foot site in a suburban shopping center. The rent expense will vary substantially depending upon negotiated terms, size and locale, and finish-out allowance, among other things. Also included in the occupancy cost is any interest expense for monies borrowed to finish-out the Restaurant.

**Equipment Rent.** The equipment rental expense item may vary substantially to the extent a franchisee has financed equipment through equipment leases. Equipment rental expenses include licensing fees for the software you are required to purchase and implement. (See Item 11).

**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 Net Sales on advertising. The Franchise Agreement requires each franchisee to contribute three percent (3%) of its Net Sales to the Marketing Fund administered by Dickey's or an affiliate, and to expend another one percent (1%) of its Net Sales on local advertising.

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

**Royalty.** The royalty expense item is based upon the five percent (5%) 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 2006 performance of the company-owned and sampling of franchised Restaurants in operation for all of calendar year 2006 and otherwise deemed representative by Dickey's. Additionally, while these figures are based on data compiled from Restaurants featuring cafeteria-style dining formats and Restaurants located in both leased and owned locations, Dickey's believes that there is a reasonable basis for including these sales and earnings figures, and that the information presented herein is representative of counter service-type Restaurants located at leased locations. 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. THE FIGURES DO NOT REPRESENT THE ACTUAL PERFORMANCE OF ANY RESTAURANT.

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 finish-out or renovation costs for the Restaurant, the furniture, fixtures, and equipment, and working capital.

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 Net 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 Texas, particularly the Dallas-Fort Worth metropolitan area.

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

3. Contributions to the Marketing 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 Marketing Fund contribution of three percent (3%) may not correspondingly increase a Franchisee's sales.

THE SALES, INCOME, AND GROSS OR NET PROFITS FIGURES ARE DERIVED FROM A COMPILATION OF REPORTING OPERATING RESULTS OF DICKEY'S RESTAURANTS 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. **YOUR FINANCIAL RESULTS MAY DIFFER FROM THE RESULTS PRESENTED IN THIS ITEM 19.**

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**  
**OUTLETS AND FRANCHISEE INFORMATION**

**SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2005-2007**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2005	49	54	5
	2006	54	58	4
	2007	58	66	8
Company-owned	2005	5	6	1
	2006	6	6	0
	2007	6	6	0
Total Outlets	2005	54	60	6
	2006	60	64	4
	2007	64	72	8

(1) NOTE: Figures for 2005 and 2006 span full calendar years. Figures for 2007 are as of September 1.

(2) NOTE: The company-owned Restaurants listed are owned by Dickey's Barbecue Pit, Inc. or by Restaurant Growth, Inc., both Texas corporations affiliated with Dickey's.

**TRANSFERS OF FRANCHISED OUTLETS FROM FRANCHISEES  
TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2005-2007**

STATE	YEAR	NUMBER OF TRANSFERS
Colorado	2005	0
	2006	0
	2007	1
Tennessee	2005	0
	2006	1
	2007	1
Texas	2005	3
	2006	8
	2007	5
Totals	2005	3
	2006	9
	2007	7

(1) NOTE: Figures for 2005 and 2006 span full calendar years. Figures for 2007 are as of September 1.

(2) NOTE: The company-owned Restaurants listed are owned by Dickey's Barbecue Pit, Inc. or by Restaurant Growth, Inc., both Texas corporations affiliated with Dickey's.

# STATUS OF FRANCHISED OUTLETS FOR YEARS 2005-2007

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINA- TIONS	NON- RENEWALS	RE- ACQUIRED BY FRANCHISOR	CEASED OPER- ATIONS FOR OTHER REASONS	OUTLETS AT END OF THE YEAR
Colorado	2005	3	0	0	0	0	0	3
	2006	3	0	0	0	0	0	3
	2007	3	0	0	0	0	0	3
Florida	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	1	0	0	0	0	1
Iowa	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	1	0	0	0	0	1
Idaho	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	1	0	0	0	0	1
New Jersey	2005	1	0	0	0	0	0	1
	2006	1	0	0	0	0	0	1
	2007	1	0	0	0	0	0	1
North Carolina	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	2007	0	1	0	0	0	0	1
Ohio	2005	0	1	0	0	0	0	1
	2006	1	0	1	0	0	0	0
	2007	0	2	1	0	0	0	1
Oklahoma	2005	0	0	0	0	0	0	0
	2006	0	1	0	0	0	0	1
	2007	1	0	1	0	0	0	0
Tennessee	2005	1	0	0	0	0	0	1
	2006	1	0	0	0	0	0	1
	2007	1	1	0	0	0	0	2
Texas	2005	44	7	2	0	1	0	48
	2006	48	7	3	0	0	0	52
	2007	52	4	1	0	0	0	55
Total	2005	49	8	2	0	1	0	54
	2006	54	8	4	0	0	0	58
	2007	58	11	3	0	0	0	66

(1) NOTE: Figures for 2005 and 2006 span full calendar years. Figures for 2007 are as of September 1.

### STATUS OF DICKEY'S-OWNED OUTLETS FOR YEARS 2005-2007

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF YEAR
Texas	2005	4	0	1	0	0	5
	2006	5	0	0	0	0	5
	2007	5	0	0	0	0	5
New Mexico	2005	1	0	0	0	0	1
	2006	1	0	0	0	0	1
	2007	1	0	0	0	0	1
Totals	2005	5	0	1	0	0	6
	2006	6	0	0	0	0	6
	2007	6	0	0	0	0	6

(1) NOTE: Figures for 2005 and 2006 span full calendar years. Figures for 2007 are as of September 1.

(2) NOTE: The company-owned Restaurants listed are owned by Dickey's Barbecue Pit, Inc. or by Restaurant Growth, Inc., both Texas corporations affiliated with Dickey's.

### PROJECTED NEW FRANCHISE OUTLETS AS OF MAY 31, 2007

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLET IN THE CURRENT FISCAL YEAR
Arizona	3	3	0
California	8	8	0
Colorado	1	1	0
Delaware	1	1	0
Florida	4	4	0
Georgia	2	2	0
Iowa	1	1	0
Idaho	1	1	0
Indiana	1	1	0
Kansas	2	2	0
Maryland	1	0	0
Massachusetts	1	1	0
Michigan	1	1	0
Missouri	4	4	0
Mississippi	1	1	0
North Carolina	3	3	0
Nebraska	1	1	0
New York	1	1	0
Oregon	1	1	0
Pennsylvania	2	2	0
South Carolina	1	1	0
Texas	16	14	0
Virginia	2	2	0
International	1	1	0
Total	60	57	0

(1) NOTE: The company-owned Restaurants listed will be owned by Dickey's Barbecue Pit, Inc. or by Restaurant Growth, Inc., both Texas corporations affiliated with Dickey's.

# CURRENT FRANCHISEES

Store Name	Store Address	City	State	Zip	Franchisee	Franchisee Business Entity	Franchisee Phone
CO - Centennial	10230 E Arapahoe Rd	Centennial	CO	80112	Martin Perkins	MML Restaurants Inc	(303) 346-2409
CO - Lakewood	14500 W Colfax, Ste FC11	Lakewood	CO	80401	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601
CO - Littleton	5350 S Santa Fe Dr	Littleton	CO	80120	Martin Perkins	MML Restaurants Inc	(303) 346-2409
FL - Wildwood	1220 S Main	Wildwood	FL	34785	Azim & Navroz Saju	Emirates Investments LLC	(352) 867-1347
IA - Cedar Rapids	5300 NE Edgewood Rd, Ste 100	Cedar Rapids	IA	52411	Daniel Disenhouse		(319) 350-7502
ID - Meridian	2845 E Overland Rd, Ste 190	Meridian	ID	83642	Luigi Mangione	Lira Inc	(208) 472-4432
NJ - Ridgefield <sup>(1)</sup>	NJ Tpke, Mile Marker 116	Ridgefield	NJ	07657	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601
NM - Albuquerque	4811 NE Pan American Fwy	Albuquerque	NM	87109	T.D. Dickey, Jr.	Dickey's Barbecue Pits, Inc	(214) 691-5659
NC - Concord	6189 Bayfield Pkwy	Concord	NC	28027	Assane Lo		(704) 225-3173
OH - Newark	1195 W Church St	Newark	OH	43055	Ben & Bill Englefield	Englefield Inc	(740) 928-8215
TN - Crossville	965 Northside Dr	Crossville	TN	38555	Jerry Bernhard	JMB Crossville LLC	(931) 839-2794
TN - Nashville	465 Opry Mills Dr	Nashville	TN	37214	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601
TX - Addison	3711 Beltline Rd	Addison	TX	75001	Karim Forooshani		(972) 241-1800
TX - Allen	405 S Central Expy	Allen	TX	75013	Dale Smith	SODAK Inc	(972) 727-4117
TX - Arlington, Ballpark	1801 Ballpark Way	Arlington	TX	76006	David Boisture	Summit Restaurants LP	(817) 261-6600
TX - Arlington, S. Cooper	5530 S Cooper	Arlington	TX	76017	Patrick Henggeler		(817) 557-0539
TX - Bedford	501 N Industrial Blvd, Ste 100	Bedford	TX	76021	Shawn Boedecker	JLB Barbecue, LLC	(817) 354-5551



Store Name	Store Address	City	State	Zip	Franchisee	Franchisee Business Entity	Franchisee Phone
TX - Buffalo	2710 W Commerce	Buffalo	TX	75831	John Lusk	Buffalo Partners Ltd	(903) 322-9150
TX - Carrollton, Hebron/121	1624 W Hebron Pkwy	Carrollton	TX	75010	Mehdi Pourvali		(214) 223-1673
TX - Carrollton, Old Denton/190	1050 E Trinity Mills	Carrollton	TX	75006	Shakeel Ahmed	Select Food Enterprise Inc	(214) 360-6264
TX - Carrollton, Park/Midway	3220 E Hebron Pkwy	Carrollton	TX	75093	Muhammad Afzal	Modiz TM BBQ Company LLC	(214) 505-2823
TX - Cedar Hill	642 Uptown Blvd	Cedar Hill	TX	75034	Frank Tull	Tull Inc	(972) 293-9662
TX - Coppell	801 S Denton Tap	Coppell	TX	75019	Patrick Henggeler		(817) 557-0539
TX - Corsicana	1509 W 7th Ave	Corsicana	TX	75110	T.D. Dickey, Jr.	Restaurant Growth, Inc	(972) 248-9899
TX - Cross Roads	2401 US Highway 380	Cross Roads	TX	76227	Barry Diep	A & J Crossroads Enterprise Corp	(940) 440-0514
TX - Dallas, Central	4610 Central Expy	Dallas	TX	75206	T.D. Dickey, Jr.	Dickey's Barbecue Pits, Inc	(214) 691-5659
TX - Dallas, Forest	7770 Forest Ln	Dallas	TX	75230	T.D. Dickey, Jr.	Dickey's Barbecue Pits, Inc	(214) 691-5659
TX - Dallas, Garland Rd	9004 Garland Ave	Dallas	TX	75218	Nadeem Iqbal	SNI Food Inc	(214) 321-7018
TX - Dallas, Harry Hines	2445 W Northwest Hwy, Ste 106	Dallas	TX	75220	Ayesha Khan	Cubix Enterprise Inc	(972) 492-6796
TX - Dallas, Harwood	726 N Harwood	Dallas	TX	75201	Ayesha Khan	Cubix Enterprise Inc	(972) 492-6796
TX - Dallas, Irving Blvd	3254 Irving Blvd	Dallas	TX	75247	Mark Suwannapeng	Asia Modern LLC	(972) 757-7688
TX - Dallas, Josey	2919 Forest Ln	Dallas	TX	75234	Sammy Young	SCR Inc	(972) 247-0505
TX - Dallas, McKinney/Maple	2324 McKinney Ave	Dallas	TX	75201	David Arterburn	One Stop	(972) 284-6100
TX - Dallas, Preston/Beltline	14999 Preston Rd, Ste 100C	Dallas	TX	75240	Allen Bahrami	Addison's Best BBQ Inc	(972) 661-2006
TX - Dallas, Renaissance	1201 Elm St, Ste LL5	Dallas	TX	75270	Shakeel Ahmed	Select Food Enterprise Inc	(214) 360-6264
TX - Dallas, Trinity Mills	17721 Dallas Pkwy, Ste 130	Dallas	TX	75287	Muhammad Afzal	Modiz TM BBQ Company LLC	(214) 505-2823

Store Name	Store Address	City	State	Zip	Franchisee	Franchisee Business Entity	Franchisee Phone
TX - Desoto	1001 N Beckley, Ste 116A	De Soto	TX	75115	Ali Syed	Rahum Inc	(469) 567-8341
TX - DFW A19	DFW Airport, Terminal A, Gate 19	Dallas	TX	75261	J. Don Carter	SW Minority Financial Grp Inc	(817) 332-3500
TX - DFW C6	DFW Airport, Terminal C, Gate 6	Dallas	TX	75261	J. Don Carter	SW Minority Financial Grp Inc	(817) 332-3500
TX - DFW E12	DFW Airport, Terminal E, Gate 12	Dallas	TX	75261	J. Don Carter	SW Minority Financial Grp Inc	(817) 332-3500
TX - Flower Mound	3320 Long Prairie	Flower Mound	TX	75022	Maggie Holland	API Properties 198 LLC	(817) 491-7330
TX - Forney	120 E Highway 80	Forney	TX	75160	Mandeep Singh		(408) 623-8560
TX - Fort Worth, Blue Mound	1000 NE Loop 820	Fort Worth	TX	76106	Shawn Boedecker	Almeda Barbecue LLC	(817) 456-8950
TX - Fort Worth, Bryant Irvin	5724 Bryant Irvin Rd	Fort Worth	TX	76132	Larry Box	LDB Restaurant Inc	(817) 416-9834
TX - Fort Worth, FW Zoo	1989 Colonial Pkwy	Fort Worth	TX	76110	William LeNoir	Culinaire International	(214) 754-1887
TX - Fort Worth, University	451 University Dr	Fort Worth	TX	76107	David Boisture	Summit Restaurants LP	(817) 261-6600
TX - Frisco	7070 Preston	Frisco	TX	75034	Paul & Aimee Griffiths	FHC Restaurants Inc	(972) 239-7559
TX - Grand Prairie	2469 Dalworth St	Grand Prairie	TX	75050	Conrado Guevara		(972) 641-9044
TX - Grapevine	3000 Grapevine Pkwy, Ste 1000	Grapevine	TX	76051	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601
TX - Greenville	3201 W Hwy 30	Greenville	TX	75402	Chase Bryant	6309 Hillcrest Ltd	(940) 239-3127
TX - Hurst	1858 Precinct Line Rd	Hurst	TX	76054	Maggie Holland	API Properties 198 LLC	(817) 491-7330
TX - Irving, Las Colinas	5330 N Macarthur Blvd, Ste 168	Irving	TX	75038	Mark Suwannapeng	Asia Modern LLC	(972) 757-7688
TX - Katy	5000 Katy Mills Cir, Ste 930	Katy	TX	77494	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601
TX - Keller	711 Keller Pkwy	Keller	TX	76248	David Boisture	Summit Restaurants LP	(817) 261-6600
TX - Lewisville	2401 S Stemmons Fwy	Lewisville	TX	76051	HMSHost USA LLC	HMSHost USA LLC	(805) 496-6601

Store Name	Store Address	City	State	Zip	Franchisee	Franchisee Business Entity	Franchisee Phone
TX - McKinney, Custer/121	8628 Hwy 121	McKinney	TX	75070	Dale Smith	SODAK Inc	(972) 727-4117
TX - McKinney, N. Central	600 N Central Expy	McKinney	TX	75070	Michael Galligan	MA Goens Inc	(972) 540-5340
TX - Mesquite	3700 Gus Thomasson	Mesquite	TX	75150	Dale Smith	SODAK Inc	(972) 727-4117
TX - Plano, 14th	1211 14th St	Plano	TX	75074	T.D. Dickey, Jr.	Dickey's Barbecue Pits, Inc	(214) 691-5659
TX - Plano, Coit	1441 Coit Rd, Ste A	Plano	TX	75075	T.D. Dickey, Jr.	Dickey's Barbecue Pits, Inc	(214) 691-5659
TX - Plano, Preston	4032 Preston Rd	Plano	TX	75093	Dale Smith	SODAK Inc	(972) 727-4117
TX - Richardson	1150 N Plano Rd	Richardson	TX	75081	Dale Smith	SODAK Inc	(972) 727-4117
TX - Roanoke	1224 N Hwy 377, Ste 221	Roanoke	TX	76262	Shawn Boedecker	Almeda Barbecue LLC	(817) 456-8950
TX - Rowlett, Dalrock	1700 Dalrock Rd	Rowlett	TX	75088	David Arterburn	One Stop	(972) 284-6100
TX - Rowlett, Rowlett Rd	5000 Rowlett Rd	Rowlett	TX	75088	Dale Smith	SODAK Inc	(972) 727-4117
TX - Sherman	529 W Lamar St	Sherman	TX	75090	Bill Douglass	W Douglass Distributing Ltd	(800) 736-4316
TX - The Colony	5745 SH 121	The Colony	TX	75056	David Arterburn	One Stop	(972) 284-6100
TX - The Woodlands	10700 Kuykendahl Rd	The Woodlands	TX	77381	Grant Cardinal		(281) 419-2208
TX - Waco	621 North Valley Mills	Waco	TX	76710	Shelley Hanson	Shelley's BBQ	(254) 235-5647
TX - Waxahachie	1009 N Hwy 77	Waxahachie	TX	75165	Patrick Henggeler		(817) 557-0539
TX - Weatherford	2020 S Main St	Weatherford	TX	76086	Carol Sandford	Weatherford BBQ LP	(940) 627-2689
TX - Wylie	1301 Century Way	Wylie	TX	75098	William & Cathy Fowler	BCF Enterprises Inc	(972) 429-8525

<sup>(1)</sup>This store is currently scheduled to close on September 15, 2007.

**FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS,  
BUT HAVE NOT YET OPENED RESTAURANTS**

Store Name	State	Franchisee Name	Franchisee Address	Franchisee Phone
AZ - Chandler	AZ	Mitch Bailey	19727 Seashore Cir, Huntington Beach, CA 92648	(714) 969-1041
AZ - Kingman	NV	Darrell Dyer	3694 Chama Ave, Las Vegas, NV 89121	(702) 521-6339
AZ - Peoria	AZ	Scott Pestka	9584 W Keyser Dr, Peoria, AZ 85838	(623) 451-7538
CA - Chino	CA	Jack Chung	3015 Caricia Dr, Hacienda Heights, CA 91745	(626) 330-4468
CA - Chula Vista	CA	Mark Rohrbach	17972 NW Deerfield Dr, Portland, OR 97229	(503) 645-5523
CA - Fremont	CA	Jimmy Lu	544 Centre Court Dr, Tracy, CA 95376	(510) 575-7888
CA - Fullerton	CA	Sam Eum	2254 Root St, Fullerton, CA 92833	(213) 435-9486
CA - Glendale	CA	Abe DeGuzman	3124 Needles Dr, Orlando, FL 32810	(562) 787-3827
CA - Granada Hills	CA	Norton Thongchua	17016 Blanche Pl, Granada Hills, CA 91344	(818) 363-9662
CA - Irvine	CA	Dane Hutchins	25235 Miles Ave, Lake Forest, CA 92630	(949) 940-8835
CA - Woodland Hills	CA	Sajith Weerasinghe	7511 Corbin Ave, Winnetka, CA 91306	(818) 349-1170
CO - Louisville	CO	Greg & Amy Holland	196 Commander Cir, Erie, CO 80516	(720) 985-8344
DE - Dover	DE	Adolfo Bengzon	289 Marin Blvd, Ste 195, Jersey City, NJ 07302	(719) 848-8191
FL - Coral Springs	FL	John Dondy	3871 NW 100th Ave, Coral Springs, FL 33065	(954) 752-7426
FL - Daytona Beach	FL	Abe DeGuzman	3124 Needles Dr, Orlando, FL 32810	(562) 787-3827
FL - Homestead	FL	Gabriel Pedraza	1889 SE 14th St, Homestead, FL 33035	(305) 934-6800
FL - Orlando	FL	Harold Castillo-Serrano	19614 Knight Tale Ln, Orlando, TX 32833	(407) 568-6614
GA - Coweta County	GA	Charles Kuehl	74 Riva Ridge Ln, Newnan, GA 30263	(770) 304-1318
GA - Snellville	GA	Danny Park	1150 Glenwood Ln, Bogart, GA 30622	(706) 254-0024
IA - Iowa City	IA	Daniel Disenhouse	1027 NE Capri Dr, Cedar Rapids, IA 52402	(319) 350-7502
ID - Twin Falls	ID	Hyong & Susan Pak	393 Kay Dr, Twin Falls, ID 83301	(208) 404-3790
IN - Fort Wayne	IN	Doug Miller	10410 Lone Eagle Way, Fort Wayne, IN 46845	(260) 637-6603
KS - Olathe	KS	Gary Johnson	4323 N Jarboe Ct, Kansas City, MO 64116	(816) 452-3013

Store Name	State	Franchisee Name	Franchisee Address	Franchisee Phone
KS - Topeka	KS	David Wenrich	809 S Kansas Ave, Topeka, KS 66612	(785) 228-9880
MA - Boston	MA	Pavon Chahal	102 Wallis Rd, Chestnut Hill, MA 02467	(617) 469-0924
MD - Laurel	MD	Ulysses Valera	7312 Doddington Ct, Laurel, MD 20707	(301) 498-7818
MI - Lansing	MI	Joe & Sam Chahine	5208 Otter Dr, Lansing, MI 48917	(517) 321-0000
MO - Fenton	MO	Kenton Kolker	1032 Nooning Tree Dr, Chesterfield, MO 63017	(636) 733-0060
MO - St. Louis	MO	Milind Korgaonkar	26 Harvest Glen Ct, Saint Louis, MO 63141	(314) 276-9060
MO - St. Louis	MO	Richard Buell	7939 Delmar Blvd, Saint Louis, MO 63130	(314) 433-3333
MO - Valley Park	MO	Kenton Kolker	1032 Nooning Tree Dr, Chesterfield, MO 63017	(636) 733-0060
MS - Hattiesburg	MS	Gale & Catherine Harris	859 E Hwy 26, Poplarville, MS 39470	(601) 795-4393
NC - Cary	NC	Greg Woloszczuk	1014 Northridge Ln, Chapel Hill, NC 27514	(919) 401-2428
NC - Durham	NC	Greg Woloszczuk	1014 Northridge Ln, Chapel Hill, NC 27514	(919) 401-2428
NC - Morrisville	NC	Greg Woloszczuk	1014 Northridge Ln, Chapel Hill, NC 27514	(919) 401-2428
NE - Omaha	NE	Gary Arnold	418 S 179th Cir, Omaha, NE 68118	(402) 330-4936
NY - Hartsdale	NY	David Fligel	6 Southway, Hartsdale, NY 10530	(212) 971-2184
OR - Klamath Falls	OR	Phillip Mardini	3939 S 6th St, Ste 239, Klamath Falls, OR 97603	(541) 545-9111
PA - Allentown	PA	Richard Kile	4917 Ancinetta Dr, Schnecksville, PA 18078	(610) 799-0943
PA - King of Prussia	PA	Richard Kile	4917 Ancinetta Dr, Schnecksville, PA 18078	(610) 799-0943
SC - Greenville	SC	Todd Brents	330 Verdana Ct, Boiling Springs, SC 29316	(817) 312-5876
TX - Austin	TX	Paul Bass	906 Allen St, Ste 1711, Dallas, TX 75204	(214) 728-3262
TX - Carrollton	TX	Patrick Henggeler	7321 E Commercial Blvd, Arlington, TX 76001	(817) 557-0539
TX - Cleburne	TX	Richard & Melissa Doty	3 Timberlane, PO Box 3941, Texarkana, TX 75501	(817) 991-2272
TX - College Station	TX	Robert & Lee Ann Jones	4159 Beaver Brook Ln, Dallas, TX 75229	(214) 351-4847
TX - Dallas, Cockrell Hill/I-30	TX	Vu Nguyen	6109 Tidewater Dr, Arlington, TX 76018	(817) 715-1297
TX - Dallas, Wycliff	TX	James Santiago	523 Winding Forest Dr, Grand Prairie, TX 75052	(972) 841-1271
TX - DFW B36	TX	J. Don Carter	3663 Airport Fwy, Fort Worth, TX 76111	(817) 332-3500

Store Name	State	Franchisee Name	Franchisee Address	Franchisee Phone
TX - Denton	TX	Dale Smith	409 S Central Expy, Ste A, Allen, TX 75013	(972) 727-4117
TX - Garland	TX	Alfredo Carrera	5163 Finnhorse Dr, Grand Prairie, TX 75052	(972) 237-7765
TX - Lubbock	TX	Joe Palermo	5412 Slide Rd Ste 100, Lubbock, TX 79414	(806) 544-5794
TX - Mansfield	TX	Patrick Henggeler	7321 E Commercial Blvd, Arlington, TX 76001	(817) 557-0539
TX - Prosper	TX	Diovanne Uria	9547 Blue Thistle Way, Elk Grove, CA 95624	(916) 798-7846
TX - Rockwall	TX	David Arterburn	1411 S Goliad St, Rockwall, TX 75087	(972) 284-6100
TX - Rosenberg	TX	Ashraf Gulamhusein	1401 Greenway Dr, Sugarland, TX 77478	(817) 867-1852
TX - Leon Valley	TX	Terry Maxey	PO Box 1463, Uvalde, TX 78802	(830) 278-3711
UK - Cardiff, Wales	INTL	John Christie	7409 Vineyard Trl, Garland, TX 75044	(972) 424-1623
VA - Lynchburg	VA	Steve Royer	2204 Oriole Pl, Lynchburg, VA 24503	(434) 386-9452
VA - Salem	VA	Mark Bowes	4630 Falling Creek Rd, Bedford, VA 24523	(540) 587-6874

**FRANCHISEES WHO HAD OUTLETS TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT DURING THE 2006-2007 FISCAL YEAR OR WHO HAVE NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE ISSUANCE DATE.**

NAME	LAST KNOWN ADDRESS	TELEPHONE NUMBER
Jesse Pisors	1201 W. University Drive Edinburg, TX 78539	956-381-0501
Vicki Shadden	130 Louis Henna Blvd. Round Rock, TX 78664	512-255-3500
Terry Wessels	600 Northwest Hwy., Suite A Grapevine, TX 76051	817-329-0221
Richard Roldan	4204 Milan Road Sandusky, OH 44870	419-626-4227
Amy Helm	Stilwell Food Court N. Hwy 59 Stilwell, OK 74960	918-696-4047
David Arterburn	18120 Coit Road Dallas, TX 75252	972-309-6093
Mike Venerable	9220 Allen Road West Chester, OH 45069	513-829-4900
Sam Khairi	855 Sandringham Place Kingston, Ontario	613-548-8044
HMS Host (Bill Casey)	New Jersey Turnpike (Mile Marker 116)	240-694-4198

(1) NOTE: If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees may have signed provisions restricting their ability to speak openly about their experience with the System. While we encourage you to speak openly with current and former franchisees, be aware that not all such franchisees will be able to communicate with you.

---

**ITEM 21**  
**FINANCIAL STATEMENTS**

The financial statements listed below are attached to this Disclosure Document as Exhibit "A":

Audited balance sheet of Dickey's as of May 31, 2007, and related statement of operations, shareholders' equity and cash flows for the year then ended.

Audited balance sheet of Dickey's as of May 31, 2006, 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, 2005, and related statements of operations, shareholders' equity and cash flows for the year then ended.

**ITEM 22  
CONTRACTS**

Attached as Exhibits to this Disclosure Document 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)