

2012-2013 DISCLOSURE DOCUMENT  
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**DICKEY'S BARBECUE RESTAURANTS, INC.**

**FRANCHISE DISCLOSURE DOCUMENT**

**DICKEY'S**  
**BARBECUE PIT**

**FRANCHISE DISCLOSURE DOCUMENT**

**DICKEY'S BARBECUE RESTAURANTS, INC.,  
A TEXAS CORPORATION  
801 E. Plano Parkway, #135  
PLANO, TEXAS 75074  
(972) 423-2201  
WWW.DICKEYS.COM**



The franchisee will operate under the name and mark "Dickey's Barbecue Pit" one (1) or more fast casual quick service restaurants specializing in freshly prepared barbecue style meats and other food products. The total investment necessary to begin operation of a single Dickey's Barbecue Pit restaurant ranges between \$68,958 - \$149,958 for the conversion of a previously finished-out leased restaurant facility within a non-traditional location, \$127,560 - \$208,560 for the conversion of a previously finished out leased restaurant facility in a traditional location, \$269,406 - \$350,406 for the conversion of a previously finished out leased retail space in a traditional location, and \$348,651 - \$429,651 for a new leased restaurant facility in a traditional location. This includes \$21,500 or more that must be paid to the franchisor or affiliate.

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

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

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

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

ISSUANCE DATE: September 1, 2012.

**STATE COVER PAGE**

**DICKEY'S BARBECUE RESTAURANTS, INC.,  
A TEXAS CORPORATION  
801 E. PLANO PARKWAY, #135  
PLANO, TEXAS 75074  
PHONE: (972) 423-2201; WWW.DICKEYS.COM**

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

Call the state franchise administrator listed in Exhibit E 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 DICKEY'S BY NONBINDING MEDIATION AND, IF NONBINDING MEDIATION IS UNSUCCESSFUL, BY ARBITRATION IN TEXAS. IN SOME CASES, DISPUTES MAY BE SUBMITTED TO LITIGATION IN THE COURTS IN TEXAS. YOU UNDERSTAND THAT OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH DICKEY'S IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE SPOUSE(S) OF THE FRANCHISEE AND/OR DEVELOPER, AS THE CASE MAY BE, ARE REQUIRED TO SIGN THE FRANCHISE AND/OR DEVELOPMENT AGREEMENT, MAKING THEM JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS AND DEBTS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF YOU AND YOUR SPOUSE AT RISK.
4. THE MAJORITY OF RESTAURANTS OPERATED BY DICKEY'S FRANCHISEES OR BY AN AFFILIATE ARE LOCATED IN TEXAS. OPERATING RESULTS FOR DICKEY'S RESTAURANTS LOCATED OUTSIDE OF TEXAS ARE GENERALLY LESS ESTABLISHED.
5. UPON EARLY TERMINATION OF THE FRANCHISE, YOU MUST PAY DICKEY'S LIQUIDATED DAMAGES EQUAL TO ROYALTIES PROJECTED TO BE PAID BY YOU OVER THE REMAINING TERM OF THE FRANCHISE AGREEMENT BASED UPON THE AVERAGE NET SALES OF YOUR RESTAURANT OVER THE TWELVE (12) COMPLETE CALENDAR MONTHS IMMEDIATELY PRECEDING TERMINATION.
6. DICKEY'S OR ITS AFFILIATES OR OTHER FRANCHISEES MAY PROVIDE CATERING AND DELIVERY SERVICES AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR A DIFFERENT TRADEMARK, POSSIBLY IN COMPETITION WITH YOUR FRANCHISE.
7. DICKEY'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF DICKEY'S WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [www.corp.ca.gov](http://www.corp.ca.gov).
8. 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: See following page for state effective dates.

## STATE EFFECTIVE DATES

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

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

|              |         |
|--------------|---------|
| CALIFORNIA   | Pending |
| HAWAII       | Pending |
| ILLINOIS     | Pending |
| MICHIGAN     | Pending |
| RHODE ISLAND | Pending |
| SOUTH DAKOTA | Pending |
| WASHINGTON   | Pending |
| WISCONSIN    | Pending |
| VIRGINIA     | Pending |
| NEW YORK     | Pending |
| INDIANA      | Pending |
| NORTH DAKOTA | Pending |
| MARYLAND     | Pending |
| MINNESOTA    | Pending |

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

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**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

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

Dickey's is a Texas corporation incorporated on March 7, 1994. The company's principal place of business is 801 E. Plano Parkway, #135, Plano, Texas 75074. The company also operates at 4514 Cole Avenue, Suite 1015, Dallas, Texas 75205. Dickey's does not have any parent companies or any affiliates which offer franchises in any line of business or provide products or services to franchisees. There are no predecessors of Dickey's. Dickey's does not do business under any other name. Since its formation, Dickey's has offered Restaurant franchises.

Dickey's sole business is to offer, sell and service franchises for the development and operation of quick service fast casual dining restaurants (the "Restaurants") specializing in freshly prepared food featuring barbecued meats under the service mark (the "Mark") displayed on the cover page of this Disclosure Document. The Restaurants utilize modern barbecue cooking technology and several proprietary concepts and recipes, including the barbecue sauce.

While some of Dickey's existing Restaurant franchises offer a cafeteria-style dining format, to meet evolving customer demands and tastes, Dickey's currently offers franchises featuring quick service dining. Most of the Restaurants are located within suburban shopping centers or in stand-alone buildings located on busy streets, but Restaurants are also located in "non-traditional" venues such as food courts or convenience stores or within institutional settings. Dickey's current business model for new franchises focuses on Restaurants in leased spaces of approximately 1,800 square feet located in shopping centers, and therefore this Disclosure Document is primarily tailored to provide information on Restaurants opened by franchisees under this model. However, this Disclosure Document also provides information on Restaurants opened in "non-traditional" venues.

Dickey's does not operate any Restaurants of the kind described in this Disclosure Document, but Dickey's Barbecue Pit, Inc. ("DBP"), a Texas corporation affiliated with Dickey's having a principal place of business at 801 E. Plano Parkway, #135, Plano, Texas 75074 and an operating office at 4514 Cole Avenue, Suite 1015, Dallas, Texas 75205, has operated similar Restaurants since 1941, and Restaurant Growth, Inc. ("RGI"), a Texas corporation affiliated with Dickey's having a principal place of business of 801 E. Plano Parkway, #135, Plano, Texas 75074 and an operating office at 4514 Cole Avenue, Suite 1015, Dallas, Texas 75205, has operated similar Restaurants since 2007. Except as described in this Item 1, Dickey's, DBP and RGI have not and do not engage in any other kinds of business or offered or offer franchises in any other lines of business.

Dickey's agent for service of process in the State of California is the Commissioner of the California Department of Corporations, 71 Stevenson Street, Suite 1200, San Francisco, California 94105-2080, with a copy to Dickey's Barbecue Restaurants, Inc., 801 E. Plano Parkway, #135, Plano, Texas 75074; Attn. Roland Dickey, Jr.

Dickey's acquired its right to use and sublicense to franchisees the Mark pursuant to a license agreement with DBP, its affiliate (see Item 13). DBP has operated pit barbecue Restaurants generally utilizing the cafeteria-style format but offering the same food products as the quick service franchises described in this Disclosure Document since 1941. As of the date of this Disclosure Document, DBP (or RGI) operates five (5) cafeteria-style and two (2) quick service Restaurants in the Dallas-Fort Worth, Texas metropolitan area and one (1) quick service Restaurant in Louisville, Colorado. When reference is made in this Disclosure Document to "company-owned" or "company-operated" Restaurants, this means Restaurants owned and operated by DBP and RGI. DBP and RGI do not franchise, and have not, franchised Restaurants or any other kind of business.

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

Each franchise relationship is offered by Dickey's based on one of two arrangements:

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 Franchise Agreement and Development Agreement are each referred to in this Disclosure Document as an "Agreement."

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

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

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

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to business generally have particular applicability to restaurants. All Restaurants must comply with federal, state and local laws applicable to the operation and licensing of a restaurant business, including obtaining

truth in menu and labeling laws and all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service preparation, handling, storage and sales and food service operations generally. Your Restaurant must also meet applicable municipal, county, state and federal building codes and handicap access codes. You should consider these laws and regulations when evaluating your purchase of a franchise.

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

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

## **ITEM 2 BUSINESS EXPERIENCE**

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

### **Chairman: Roland R. Dickey**

Roland R. Dickey serves as Chairman of the Board of Dickey's and has served in that capacity since May of 2011. Mr. Dickey previously served as the Chief Executive Officer from 2006 to May of 2011, and as President of Dickey's from the date of his initial employment by the company in March of 1994 until 2006. Mr. Dickey began working in the family's barbecue business in 1968 and since 1971 has been President of DBP. Mr. Dickey works out of both the headquarters office in Plano, Texas and the operations office in Dallas, Texas.

### **President and Chief Executive Officer: Roland Dickey, Jr.**

Roland Dickey, Jr., son of Roland R. Dickey, was named Chief Executive Officer in May of 2011. Mr. Dickey began working at Dickey's in July of 1999, and in 2006, became the President of Dickey's. Prior to becoming President, Mr. Dickey served as Vice President of Dickey's. Mr. Dickey works out of both the headquarters office in Plano, Texas and the operations office in Dallas, Texas.

### **Director: Cullen Dickey**

Cullen Dickey began service with Dickey's in February of 2006 as a Director and is involved in real estate operations. Mr. Dickey, son of Roland R. Dickey, also has worked as an independent commercial real estate agent in the Dallas, Texas area since 2001. Mr. Dickey works out of the operations office in Dallas, Texas.

### **Director: T.D. Dickey, III**

T.D. Dickey, III began service with Dickey's in January of 2011 as a Director and is involved with operations. Prior to that time, Mr. Dickey owned and operated a Dickey's Barbecue Pit in Frisco, Texas



from 2007 before joining the corporate office as a Director. Mr. Dickey is the son of T.D. Dickey, II and brother of Roland R. Dickey, co-founder. Mr. Dickey works out of the operations office in Dallas, Texas.

Vice President of Human Resources and Administration: Michelle Frazier

Michelle Frazier joined Dickey's in September of 2003 as an Accounting Manager. From March, 2007 to January, 2008, Ms. Frazier served as Director of Accounting. She is now Vice President of Human Resources and Administration. Ms. Frazier works out of the operations office in Dallas, Texas.

Vice President of Operations: Tim Sharp

From 1999 to 2005, Tim Sharp worked as Regional Director of Operations for Chevy's Fresh Mex. From 2005 until 2008, he was employed by Cracker Barrel as District Manager. Mr. Sharp began service with Dickey's as Field Services Manager in July of 2008, was promoted to Director of New Unit Development in 2009, was promoted to Senior Director of Operations and Area Development in 2010, and in 2012, he was promoted to his current position as Vice President of Operations. Mr. Sharp works out of the operations office in Dallas, Texas.

Vice President of Development: Richard Phillips

Richard Phillips joined Dickey's as Franchise Development Manager in 2009, became Director of Franchise Development in 2010, and in 2011 was promoted to his current position as Vice President of Franchise Development. Prior to joining Dickey's, Mr. Phillips worked in the construction field as a project manager and was employed by Cooper General Contractors, and he was responsible for constructing many Dickey's Restaurants throughout the country from 2008 to 2009. Mr. Phillips works out of the operations office in Dallas, Texas.

Chief Financial Officer: Carlos Reyes

Carlos Reyes joined Dickey's in April 2011. In addition to his position as Chief Financial Officer, Mr. Reyes oversees eight of Dickey's company-owned stores in the Dallas/Fort Worth area. Prior to joining Dickey's, Mr. Reyes worked for Sysco Corporation as chief financial officer for 18 years at various locations in North America including Dallas, Texas from 2003 to 2011. Mr. Reyes is a Certified Public Accountant. Mr. Reyes works out of the operations office in Dallas, Texas.

Director of Commodity Buying: Owen Edwards

Owen Edwards began working for DBP in 1974 and has served as a Restaurant Manager for DBP starting in 1989. Mr. Edwards began service at Dickey's in January of 1997 and served as Director of Franchise Development from 2005 until 2011 before becoming Director of Commodity Buying. Mr. Edwards is located at the headquarters office in Plano, Texas.

Director of Communications: Jeffrey Gruber

Jeffrey Gruber began service with Dickey's as a Marketing Coordinator in March of 2008 and was promoted to Director of Marketing in 2009. In June of 2011 he became Director of Communications. Prior to working for Dickey's, Mr. Gruber practiced law at Byrne Cardenas & Smitherman, L.L.P. from June of 2005 until November of 2006, R.R. Donnelley Global Real Estate Services from May of 2007 until January of 2008, and Goldstein & Scopellite, P.C. from February of 2008 until March of 2008. Mr. Gruber is a licensed attorney in the state of Texas. Mr. Gruber works out of the operations office in Dallas, Texas.

Director of Marketing: Joette Young

Joette Young joined Dickey's in June of 2011 as Director of Marketing. Prior to joining Dickey's, Ms. Young worked as a marketing consultant in the San Francisco Bay area from 2009 to 2011 with companies such as The Princeton Review and BikiniBands. From 2002 to 2009, Ms. Young worked with The American Heart Association serving two years as Director of Marketing in San Francisco and five years in various marketing and communications roles at the national headquarters in Dallas, Texas. Ms. Young works out of the operations office in Dallas, Texas.

Director of Purchasing: Jeff Forrester

Jeff Forrester joined Dickey's in August of 2011 as Director of Purchasing. Prior to joining Dickey's, Mr. Forrester served as Purchasing Manager for La Madeleine Inc. in Dallas, Texas from 2010 until 2011. Mr. Forrester was employed by The Bowling Proprietor's Association of America as Foodservice Account Manager in Arlington, Texas from 2006 until 2010, and from 2003 until 2006, Mr. Forrester was employed by Sysco Food Services of Dallas, Texas as a Marketing Associate. Mr. Forrester works out of the operations office in Dallas, Texas.

Director of Area Development: Daniel Sibley

Before joining Dickey's in August of 2008 as Project Manager, Daniel Sibley worked for Lanelogic, LLC from 2006 to 2008 as a Trading Inventory Consultant. From 2004 to 2005, Mr. Sibley worked in Trading Operations with Ameritrade. Mr. Sibley was promoted to Director of Construction of Dickey's in 2009 and became Director of Area Development in 2012. Mr. Sibley works out of the operations office in Dallas, Texas.

Director of Training: Ashley Wright

Ashley Wright joined Dickey's in October of 2011 as Content Training Manager, and in November 2011, she became the Director of Training. From 2009 to 2011, Ms. Wright worked as Service and Development Manager for Romano's Macaroni Grill in Dallas, Texas. From 2008 – 2009 Ms. Wright served as Area Trainer for Kona Grill based out of Baton Rouge, Louisiana. From 2003 – 2007 Ms. Wright worked with Bahama Breeze in various administrative, training and management roles. Ms. Wright is based out of the operations office in Dallas, Texas.

Director of Barbecue U: Chris Kelley

Chris Kelley joined Dickey's in September 2011 as a training manager and was promoted to Director of Barbecue U in November 2012. Prior to working for Dickey's, Chris Kelley was partner and general manager of Capitol Pub in Dallas from 2007- 2011. From 2004 to 2007 Chris Kelley ran the Dubliner on Greenville Avenue as a general manager. Chris Kelley was employed by the Corner Bar and Grill off of McKinney avenue in Dallas as general manager from 2000 to 2004.

Director of Information Technology: Eimilie Mitchell

Eimilie Mitchell joined Dickey's November 2010 as Director of Operations RGI over the Corporate Stores, and was promoted to Director of IT in January of 2012. Prior to joining Dickey's, Ms. Mitchell worked for MICROS as a Lead Project Installer from 2007-2010. In 2007 she was in Las Vegas and opened Asia as the Operations Manager. From 2005-2007, Ms. Mitchell worked for Gotham City Restaurant Group as Director of Beverage. Ms. Mitchell works out of the operations office in Dallas, Texas.

Director of Franchise Sales: Jerrel Denton

Jerrel Denton began service with Dickey's in 2005 as Director of Finance-Construction, and has served as Director of Business Development since January of 2009. Prior to joining Dickey's, Mr. Denton served as Vice President and Co-Owner of Promontory International, Inc. d/b/a Mega Wraps of Texas from 2003 to 2006 and was involved with the marketing and sales of franchises for the organization. Before Mega Wraps, Mr. Denton served as managing partner for a Sonic franchise in Texas. Prior to Sonic, Mr. Denton was Regional Manager for Taco Bueno Restaurants in Dallas, Texas. Mr. Denton was also a multi-unit franchisee for Grandy's Restaurants in Tennessee, Georgia, and Florida. Mr. Denton works out of the operations office in Dallas, Texas.

Director of Franchise Sales: Ryan Reeves

Ryan Reeves joined Dickey's in November of 2010 as Franchise Development Representative. Prior to his employment with Dickey's, Mr. Reeves was owner of Majority Entertainment, LLC from 2009 to 2010. Mr. Reeves held positions with Blockdot, Inc. as Director of Business Development from 2008 to 2009, and IZoom Online, LLC as Vice President of Sales from 2006 to 2008. Mr. Reeves works out of the operations office in Dallas, Texas.

Director of Franchise Sales: Corby Cronin

Corby Cronin has been in the restaurant business since 1995, beginning his career at Brennan's of Houston in 1995 as a prep cook. After graduating Johnson & Wales University with a degree in Culinary Arts, he worked as the Banquet Chef at the Wyndham Resort Village in Breckenridge, Colorado. He trained under James Mazzio, Food & Wine Magazine's Top Ten Chefs of 1999, at 15 Degrees in Boulder Colorado before opening and operating several restaurants in Denver, Colorado. Mr. Cronin moved to Dallas, Texas in 2003 to start his own contracting company that served residential homebuilders in the Dallas-Fort Worth, Texas metropolitan area. Mr. Cronin sold his business in 2007 and joined Dickey's in September of 2007 as director of purchasing. In 2009, Mr. Cronin became Vice President of Operations, and in 2012 became Director of Franchise Sales. Mr. Cronin works out of the operations office in Dallas, Texas.

Director of Franchise Sales: Brett Heinen

Brett Heinen joined Dickey's in 2012 as Director of Franchise Sales. Prior to joining Dickey's, Mr. Heinen worked with the Henry S. Miller Brokerage Company as a sales associate specializing in industrial and office transactions and focusing predominantly on tenant representation. Prior to working in commercial real estate he served in several different positions within Ferguson Enterprises. Mr. Heinen works out of the operations office in Dallas, Texas.

Franchise Transition Manager: Bryan Pelt

Bryan Pelt joined Dickey's in June 2011 as a Franchise Consultant. Prior to joining Dickey's, Mr. Pelt was employed as a sales manager with Officebroker.com in Dallas, Texas from 2008 to 2011. From 2005 to 2008, Mr. Pelt was a branch manager with Nationstar Mortgage in Lewisville, Texas, and from 2000 to 2005, he was an owner and operator of a General Nutrition Center franchise in Keller, Texas. Mr. Pelt works out of the operations office in Dallas, Texas.

Franchisee and Area Developer (North Carolina): Greg Woloszczuk

Greg Woloszczuk and his company, GMW Carolina, Inc., became a Dickey's franchisee in 2006 and began serving as the area developer for North Carolina in 2010. Mr. Woloszczuk has been involved in various types of business including retail, restaurants, and high technology for over 20 years. Since 2004, Mr. Woloszczuk has served as Director of Technical Marketing, Director of Employee Development Professional Services and Director of East Coast Operations for NetApp of the Research Triangle Park, North Carolina.

Franchisee and Area Developer (Mississippi and Louisiana): Justin Harris

Justin Harris, co-owner of CH Development, Inc., became a Dickey's franchisee in August of 2006. Mr. Harris served as quality assurance supervisor with Double D, Inc. in Carriere, Mississippi from December of 2005 until July of 2006.

Franchisee and Area Developer (Utah): John Thomson and Dave Michelson

In 2010, John Thomson founded Finger Lickin' Brands, LLC, a franchisee of three Dickey's Restaurants in Utah. Mr. Thomson also owns StarWash Eco-Smart CarWash with two locations in Salt Lake City and South Jordan, Utah. From 1999 until 2002, Mr. Thomson founded and served as Chief Executive Officer of CarrierPoint, Inc., a software company serving heavy manufacturers, and in March of 2003, Mr. Thomas orchestrated the acquisition of CarrierPoint by TransCore, a transportation technology company, where he continued his role reporting to the CEO until 2010.

Dave Michelson is an owner of Finger Lickin' Brands, LLC, a franchisee of three Dickey's Restaurants in Utah since 2010. Prior to joining Finger Lickin' Brands, LLC, Mr. Michelson was the General Manager of StarWash Eco-Smart CarWash since 2006 where he was responsible for operations and corporate profitability.

Franchisee and Area Developer (Pennsylvania): Richard (Dick) Kile and Robert Heintzelman

Dick Kile joined Dickey's as a co-owner of a Dickey's Restaurant in Bethlehem, Pennsylvania in 2007. Mr. Kile is a co-owner of Tri-Emerald Financial Group, a financial services company headquartered in Lake Forest, California.

Robert Heintzelman joined Dickey's as a co-owner of a Dickey's Restaurant in Bethlehem, Pennsylvania in 2008. Mr. Heintzelman became an Area Developer for Dickey's in Illinois in August of 2010.

Franchisee and Area Developer (Wyoming, Idaho and Northern Utah): B.J. McDougal

B.J. McDougal and his company, McDougal Development LLC joined Dickey's in January of 2011 as an area developer in the states of Wyoming, Idaho and northern Utah. Mr. McDougal also owns and operates Idaho Wings, Inc. since 2008 in Utah and Idaho. From July of 2006 until April of 2008, Mr. McDougal owned BJV McDougal, Inc.

**ITEM 3  
LITIGATION**

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

1. Dickey's Barbecue Restaurants, Inc. v. Surfing Gator, L.L.C. and David E. Detrick, Justice Court Precinct 3, Place 3, Dallas County, Texas; Cause No.: JC-10-01010N.

Dickey's filed its complaint against Surfing Gator, L.L.C. and David E. Detrick, former franchisee, on December 17, 2010 for past-due monthly royalty payments and advertising fund payments in the amount of \$1,039.64 and to collect the unpaid balance on a promissory note in the amount of \$6,146.85. Defendant Surfing Gator, L.L.C. was non-suited from the lawsuit. On April 28, 2011, a default judgment was entered in favor of Dickey's against David E. Detrick in the

principal amount of \$7,186.49, \$2,000.00 in attorney's fees, and post-judgment interest at 5%.

2. Dickey's Barbecue Restaurants, Inc. v. David H. Chen, 416<sup>th</sup> Judicial Court of Collin County, Texas; Cause No. 416-2505-2011

Dickey's original complaint was filed on June 13, 2011 against David H. Chen, a former franchisee, for breach of the franchise agreement relating to the Corsicana, Texas restaurant operated by Mr. Chen. On September 27, 2011, a judgment was entered in favor of Dickey's against Mr. Chen for \$227,041.67 in compensatory damages, plus \$3,150 in attorney's fees and post-judgment interest.

3. Dickey's Barbecue Restaurants, Inc. v. GEM Investment Group, L.L.C., James Slopak and Cheryl L. Porter-Slopak, United States District Court, Northern District of Texas, Dallas Division, Civil Action No. 3:11-CV-2804-L

Dickey's original complaint and request for an injunction was filed on October 19, 2011. Dickey's sought liquidated damages as a result of defendants' breach of the franchise agreement and further sought an injunction preventing the defendants from operating their restaurant under a different name. On April 18, 2012, the court denied Dickey's motion for injunctive relief. On June 7, 2012, the parties settled the litigation pursuant to which the franchise agreement was terminated, and defendants paid Dickey's a settlement payment of \$5,000, agreed to not infringe upon Dickey's trademarks and further agreed to specified restrictions in the future operation of their restaurant.

#### **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

#### **ITEM 5 INITIAL FEES**

Single Unit Arrangement. If you acquire the right to operate one (1) Restaurant, an initial franchise fee of \$15,000 (the "Franchise Fee") is payable to Dickey's in a lump sum at the time the Franchise Agreement is signed. Dickey's reserves the right to charge a larger initial Franchise Fee for franchises in non-U.S. locations to defray the higher costs anticipated with respect to such foreign locations.

Development Agreement. If you acquire the right to develop and operate two (2) or more Restaurants under a Development Agreement, you are required to pay Dickey's a development fee of \$15,000 plus a \$10,000 deposit for each subsequent Restaurant after the initial Restaurant (the "Development Fee"). The Development Fee is payable in a lump sum to Dickey's at the time the Development Agreement is signed. In addition to the Development Fee, for each Restaurant to be established under the Development Agreement, you will be required to pay a Franchise Fee of \$15,000 payable to Dickey's in lump-sum at the time the related Franchise Agreement is signed. However, the \$15,000 Franchise Fee for each subsequent Restaurant after the first Restaurant to be established under the Development Agreement will be reduced to \$10,000 if you meet certain development milestones. From the Development Fee, \$15,000.00 shall be applied to the \$15,000 Franchise Fee for the first Restaurant to be established under the Development Agreement, 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 \$15,000 shall apply to each Restaurant you develop, with the balance of the Franchise Fee to be immediately paid by you in lump sum.

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

In addition, at least sixty (60) days prior to the opening of your Restaurant, you shall pay to Dickey's \$5,000, which shall be fully expended by Dickey's on your behalf to defray the costs and expenses of your Restaurant's grand opening and initial local advertising and promotion. You also are required to reimburse Dickey's for the cost and expense of any site inspection in excess of the three (3) site inspection visits provided by Dickey's at no cost. Further, you must pay to Dickey's a \$1,500 fee for the initial training program which your Owner/Operator and two Restaurant managers are required to attend and included cost of training materials and uniforms, which fee is due at the time you register for training. These fees, costs and expenses are uniformly imposed on all franchisees subject to this Disclosure Document, payable in lump sum and are non-refundable.

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**ITEM 6  
OTHER FEES**

| Type of Fee                        | Amount  | Due Date  | Remarks   |
|------------------------------------|---|---|---|
| Royalty                            | 5% of Net Sales   | Payable weekly on the Wednesday following the calendar week to which such payments relate | See footnotes (1), (2) and (3).   |
| Marketing Fund                     | 4% of Net Sales   | Payable weekly on the Wednesday following the calendar week to which such payments relate | See footnotes (1), (2), (3) and (10).   |
| Insurance                          | Premiums vary depending on location                           | As agreed or upon notice from Dickey's if you have failed to pay premiums                 | Dickey's has the right to obtain insurance and charge you with the cost of the premium if you fail to purchase same. See footnote (4).        |
| Training Instruction and Materials | \$500.00 per person (minimum \$1,500.00)                      | Due at time of registration for training  | See footnotes (1) and (5).  |
| Audit                              | Cost of audit plus the lesser of 15% interest or maximum rate | 30 days after billing   | Payable only if audit shows understatement of at least 2% of Net Sales for any month. See footnotes (1), (3), (6) and (7).                    |
| Site Evaluation Costs              | All of Dickey's reasonable costs and expenses                 | 30 days after billing   | Dickey's provides 3 on-site evaluations for your Restaurant at no charge to you. See footnote (1) and (8).                                    |
| Transfer                           | Greater of \$10,000 or Dickey's reasonable costs and expenses | 5 days prior to confirmation of transfer  | Payable to Dickey's when franchise is sold. No charge for franchise transferred to a corporation which you control. See footnote (1) and (6). |
| Renewal                            | \$10,000  | 5 days prior to commitment of 10-year renewal term  | Payable to Dickey's if you elect to renew your franchise prior to expiration of initial 20-year term. See footnote (1) and (6).               |
| Management                         | 5% of Net Sales   | Payable monthly   | Only payable if Dickey's elects to operate the Restaurant after your death or disability. See footnotes (1) and (3).                          |
| Interest                           | 15% or maximum rate, whichever is less                        | Immediately   | See footnotes (1) and (6).  |
| Legal                              | Actual legal fees and expenses                                | As incurred by Dickey's to enforce your obligations                                       | Incurred only if a court determines you have breached the Franchise Agreement. See footnotes (1) and (9).                                     |
| Termination                        | Royalty fees for remaining term of Franchise Agreement        | Immediately   | See footnotes (1), (3) and (11).  |

**Footnotes:**

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

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

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

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

(5) Dickey's reserves the right to charge a fee for training instructions, manuals and materials of \$500.00 per person (\$1,500.00 minimum). Dickey's reserves the right to charge a fee for uniforms.

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

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

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

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

(10) Dickey's may require that you participate in an approved local or regional advertising cooperative with certain other franchisees. If you are required to participate in a Dickey's-approved advertising cooperative, a certain percentage of your Marketing Fund contribution will be applied towards the local or regional advertising, marketing and promotions targeting the geographic area in which your Restaurant is located. Under the terms of Dickey's current standard cooperative advertising agreement, fees are not assessed by the advertising cooperative. For additional information, see Item 11, Paragraph C, titled "Advertising".



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

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**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

| <b>YOUR ESTIMATED INITIAL INVESTMENT</b>                                      |                                   |                              |                                |                                  |                          |                                  |                                      |
|---|-----------------------------------|------------------------------|--------------------------------|----------------------------------|--------------------------|----------------------------------|--------------------------------------|
| <b>TYPE OF EXPENDITURE</b>  | <b>AMOUNT <sup>(10)</sup></b>     |                              |                                |                                  | <b>METHOD OF PAYMENT</b> | <b>WHEN DUE</b>                  | <b>TO WHOM PAYMENT IS TO BE MADE</b> |
|   | <b>NON-TRADITIONAL CONVERSION</b> | <b>RESTAURANT CONVERSION</b> | <b>RETAIL SPACE CONVERSION</b> | <b>SHELL BUILDING FINISH-OUT</b> |                          |                                  |                                      |
| Architectural Plans <sup>(2), (14)</sup>                                      | \$0                               | \$2,000                      | \$6,000                        | \$10,000                         | Lump Sum                 | 30 Days After Execution of Lease | Architectural Firm                   |
| Permits <sup>(5), (14)</sup>  | \$0                               | \$1,000                      | \$2,000                        | \$2,000                          | Lump Sum                 | As Incurred                      | State or Municipal Agencies          |
| Leasehold Improvements <sup>(3), (14)</sup>                                   | \$1,200                           | \$20,150                     | \$124,550                      | \$168,700                        | Negotiable               | Negotiable                       | Landlord                             |
| Furniture, Fixtures, Equipment, Catering Van and Signage <sup>(4), (14)</sup> | \$18,703 - \$45,703               | \$55,355 - \$82,355          | \$87,801 - \$114,801           | \$118,896 - \$145,896            | Lump Sum                 | As Incurred                      | Vendors/ Contractors                 |
| <b>SUB-TOTAL (Construction)</b>   | <b>\$19,903 - \$46,903</b>        | <b>\$78,506 - \$105,506</b>  | <b>\$220,361 - \$247,361</b>   | <b>\$299,596 - \$326,696</b>     |                          |                                  |                                      |
| Franchise Fee <sup>(1), (13)</sup>  | \$15,000                          | \$15,000                     | \$15,000                       | \$15,000                         | Lump Sum                 | Execution of Franchise Agreement | Dickey's                             |
| Lease Deposits <sup>(14), (15)</sup>  | \$3,000 - \$6,000                 | \$3,000 - \$6,000            | \$3,000 - \$6,000              | \$3,000 - \$6,000                | Lump Sum                 | As Incurred                      | Landlord/Utilities                   |
| Training <sup>(16)</sup>  | \$1,500                           | \$1,500                      | \$1,500                        | \$1,500                          | Lump Sum                 | Upon Training Registration       | Dickey's                             |
| ServSafe Training <sup>(18), (14)</sup>                                       | \$555                             | \$555                        | \$555                          | \$555                            | As Arranged              | As Arranged                      | ServSafe approved instructor         |
| Opening Inventory and Services <sup>(7), (14)</sup>                           | \$4,000 - \$10,000                | \$4,000 - \$10,000           | \$4,000 - \$10,000             | \$4,000 - \$10,000               | Lump Sum                 | Vendors' Terms/As Incurred       | Vendors/ Dickey's                    |
| Additional Funds - 3 Months <sup>(8), (10), (14)</sup>                        | \$15,000 - \$34,000               | \$15,000 - \$34,000          | \$15,000 - \$34,000            | \$15,000 - \$34,000              | Cash                     | As Needed                        | Various Payees                       |
| Insurance <sup>(6), (14)</sup>  | \$5,000 - \$8,000                 | \$5,000 - \$8,000            | \$5,000 - \$8,000              | \$5,000 - \$8,000                | Annually                 | Annually                         | Insurance Agents                     |
| Restaurant Opening Promotion <sup>(6), (13)</sup>                             | \$5,000                           | \$5,000                      | \$5,000                        | \$5,000                          | Cash                     | 60 Days Prior to Opening         | Dickey's                             |
| Professional Fees <sup>(11), (14)</sup>                                       | \$0 - \$3,000                     | \$0 - \$3,000                | \$0 - \$3,000                  | \$0 - \$3,000                    | As Arranged              | As Arranged                      | Vendors                              |
| Closing and Finance Costs <sup>(12), (14)</sup>                               | \$0 - \$20,000                    | \$0 - \$20,000               | \$0 - \$20,000                 | \$0 - \$20,000                   | As Arranged              | As Arranged                      | Lender                               |
| <b>SUB-TOTAL (Other Start-Up Expenses)</b>                                    | <b>\$49,055 - \$103,055</b>       | <b>\$49,055 - \$103,055</b>  | <b>\$49,055 - \$103,055</b>    | <b>\$49,055 - \$103,055</b>      |                          |                                  |                                      |
| <b>TOTAL <sup>(17)</sup></b>  | <b>\$68,958 - \$149,958</b>       | <b>\$127,560 - \$208,560</b> | <b>\$269,406 - \$350,406</b>   | <b>\$348,651 - \$429,651</b>     |                          |                                  |                                      |

Footnotes:

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

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

(3) Dickey's requires that you lease the premises for the Restaurant. The amounts provided are based on a Restaurant within a shopping center, free-standing structure, or non-traditional setting containing the approximate footprint size for a Non-Traditional Conversion, Restaurant Conversion, Retail Space Conversion or Shell Building Finish-Out Restaurant, as applicable, described in footnote (19) below. Construction costs at the low end of this estimate assume previously finished out Non-Traditional or Restaurant Conversions in which a general contractor may not be required. Your costs may be lower if the landlord assumes the costs of converting and finishing out the space to Dickey's prototypical standards and specifications. Any such contribution by the landlord will likely, however, be factored into a higher lease rental rate. These amounts are Dickey's best estimate based upon commercial leasing and remodeling/finish-out rates and conditions in the Dallas-Fort Worth, Texas metropolitan area and may vary substantially based upon local commercial leasing conditions, cost of utility deposits, and labor rates and conditions and the availability and prices of materials.

(4) These amounts include costs for tables, chairs, track lighting fixtures, cabinets and decor items required for the Restaurant, costs for the Aloha Point-of-Sale system and Profit Management Console, computer hardware and software, refrigeration and other kitchen equipment, hood and fire and ventilation system and stainless steel, a catering van (with Dickey's "wrap") and catering equipment, and a barbecue cooking system. These figures can vary substantially. Costs at the low end of this estimate assume existing useable furniture, fixtures and equipment with very few additional items to be purchased. Costs at the high end of this estimate assume that all furniture, fixtures, and equipment are purchased new. These figures are Dickey's best estimate based on current equipment costs and financing conditions in the Dallas-Fort Worth, Texas metropolitan area. Costs may vary substantially depending on geographic location, creditworthiness and financing arrangements. These amounts also include interior and exterior signage. The cost of signage may vary significantly depending on the location of the Restaurant, landlord and municipal requirements, and market conditions.

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

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

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

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

(9) The amounts shown include costs and expenses of a new store opening promotion/initial marketing package for the Restaurant, for which you are required in the Franchise Agreement to pay to Dickey's \$5,000 to be spent by Dickey's, in its discretion, on your behalf in connection with your Restaurant opening promotion (including, to fund local advertising, marketing materials and promotional support during the first six (6) months of the operation of your Restaurant). A full accounting of the sums spent by Dickey's in connection with your opening promotion will be provided. While Dickey's will exercise best efforts to spend the full \$5,000 in connection with your opening promotion, any remaining balance after the first six (6) months of the operation of your Restaurant will be deposited into the Marketing Fund and applied by Dickey's in accordance with the procedures described below for the utilization of the proceeds of the Marketing Fund.

(10) This estimate also reflects the cost of your Owner/Operator and two (2) Restaurant managers to attend and complete the initial training (but excluding the fees described in footnote 16 below). These amounts include estimated transportation costs, the cost of lodging and meals, employee wages (but no salary for the Owner/Operator), and incidental expenses. Your costs may be greater depending upon your distance from the Dallas-Fort Worth, Texas metropolitan area and the lodging and meals chosen, and your employee wages.

(11) These amounts only apply if you choose to employ professionals to review this Disclosure Document and assist you in your organization and formation and are Dickey's best estimate of legal and accounting fees associated with such costs and expenses. Your actual costs may vary substantially depending on difficulties encountered, the individual professionals utilized and organizational structure chosen.

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

(13) These amounts are non-refundable.

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

(15) The amounts provided are based on Restaurants located within shopping centers, free standing structures or non-traditional settings as the footprint size for a Non-Traditional Conversion, Restaurant Conversion, Retail Space Conversion or Shell Building Finish-Out Restaurant, as applicable, described in footnote (19) below.

(16) This amount represents the fee assessed by Dickey's for its initial training program which your Owner/Operator and two (2) Restaurant managers are required to attend. It also includes the cost of training manuals. The training fee is \$500 for each person that registers for training. The training fee does not include any costs for uniforms (which Dickey's reserves the right to charge for), or any additional costs or expenses incurred by your trainees in connection with the initial training program including,

without limitation, costs of travel, lodging, meals, and wages. If more than three (3) trainees attend training, an additional training fee of \$500 per person will be incurred.

<sup>(17)</sup> Dickey's has relied on the experience it has acquired in the barbecue restaurant business since 1941 to compile these estimates. Still, Dickey's cannot assure you that you will experience the same level of costs. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The Initial Investment estimates relate to a single Restaurant in the listed category. 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.

<sup>(18)</sup> This estimate assumes that your Owner/Operator and two (2) other managers will be required to attend and complete training from a ServSafe-approved instructor and become ServSafe certified. The current cost of ServSafe training is approximately \$185 per person.

<sup>(19)</sup> The table provides an estimate of your initial investment for a Dickey's Restaurant constructed in accordance with Dickey's current prototype plans and specifications. For purposes of the table, a "Non-Traditional Conversion" means a conversion of a prior food service facility located within a convenience store, food court or other "non-traditional" setting and typically containing approximately 400 square feet. A "Restaurant Conversion" means the conversion of a previously finished out, equipped restaurant facility containing approximately 1,800 square feet. A "Retail Space Conversion" means the conversion of previously finished out commercial retail space not equipped with restaurant facilities and containing approximately 1,800 square feet. "Shell Building Finish Out" means unfinished commercial space in a "shell" condition, typically located within a commercial retail center and containing approximately 1,800 square feet. The table assumes in all cases that you will lease the location of your Restaurant. The information is arranged to provide a range of your estimated initial investment.

## **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, pre-made salads and other ingredients for proprietary recipes from approved suppliers. Currently, neither Dickey's nor any of its affiliates are approved suppliers of any such items, nor does any officer of Dickey's currently own an interest in any such suppliers. It is anticipated that the costs of these food products will be insignificant in relation to all purchases and leases by you in establishing and operating of the Restaurant. Dickey's does not permit franchisees to contract with any alternative suppliers for the products described in this paragraph, nor does it issue specifications for these items.

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

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

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

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

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

Certain approved suppliers currently or may hereafter pay to Dickey's or an affiliate (including to the Marketing Fund) compensation or otherwise credit the account of Dickey's or an affiliate sales incentives or rebates in amounts based on a certain percentage of the purchases you may make from such suppliers. During the fiscal year ending May 31, 2012, Dickey's and its affiliates realized \$2,573,000 from vendor rebates or credits which represented about 18% of Dickey's total revenues of \$14,515,978. Dickey's and its affiliates apply such sums to defray its costs in discharging its duties and obligations to its franchisees, to partially fund the Marketing Fund, and to generate revenues.

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

Dickey's has negotiated volume discount arrangements with certain designated suppliers for its franchisees (including pricing and payment terms), based upon volume purchases by the System. These suppliers may require you to enter into separate contracts with them.

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

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## ITEM 9 FRANCHISEE'S OBLIGATIONS

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

| FRANCHISEE'S OBLIGATIONS                                   |                          |                                |                                  |
|--|--------------------------|--------------------------------|----------------------------------|
| Obligation   | Disclosure Document Item | Article In Franchise Agreement | Article In Development Agreement |
| a. Site selection and acquisition/lease                    | Item 11                  | Articles 3 and 7               | Article 3                        |
| b. Pre-opening purchases/leases                            | Items 7 and 11           | Articles 7 and 8               | Article 3                        |
| c. Site development and other pre-opening requirements     | Item 11                  | Article 7                      | Article 3                        |
| d. Initial and ongoing training                            | Item 11                  | Articles 3, 8, 9 and 15        | Articles 5 and 8                 |
| e. Opening   | Item 11                  | Articles 3, 5 and 7            | Article 3                        |
| f. Fees  | Items 5 and 6            | Articles 4 and 5               | Articles 2, 5, 6, 7, 8 and 9     |
| g. Compliance with standards and policies/operating manual | Items 8 and 16           | Articles 3, 8 and 11           | None                             |
| h. Trademarks and proprietary information                  | Items 13 and 14          | Articles 1, 8, 10, 11 and 12   | Articles 6, 7 and 8              |
| i. Restrictions on products/services offered               | Item 16                  | Article 8                      | Articles 5 and 6                 |
| j. Warranty and customer service requirements              | Item 16                  | Article 8                      | Articles 9 and 15                |
| k. Territorial development and sales quotas                | Item 12                  | None                           | Articles 1, 3, 4 and 6           |
| l. Ongoing product/service purchases                       | Item 8                   | Article 8                      | None                             |
| m. Maintenance, appearance and remodeling requirements     | Items 16 and 17          | Articles 2, 7, 8, 14 and 17    | Article 6                        |
| n. Insurance   | Item 7                   | Articles 8 and 14              | None                             |
| o. Advertising   | Items 6, 7 and 11        | Articles 3, 5 and 8            | Article 1                        |
| p. Indemnification   | Item 11                  | Articles 9, 10, 15 and 20      | Article 9                        |
| q. Owner/Operator's participation/management/staffing      | Item 15                  | Articles 8 and 9               | Articles 5, 8 and 9              |
| r. Records and reports                                     | Item 6                   | Articles 4, 5 and 13           | Article 5                        |
| s. Inspections and audits                                  | Items 6 and 11           | Articles 3, 7, 8 and 13        | None                             |
| t. Transfer  | Item 17                  | Article 15                     | Articles 3, 6, 7, 5 and 9        |
| u. Renewal   | Item 17                  | Article 2                      | None.                            |
| v. Post-termination obligations                            | Item 17                  | Articles 17 and 18             | Articles 4, 6 and 9              |
| w. Non-competition covenants                               | Item 17                  | Article 18                     | Attachment B                     |
| x. Dispute resolution                                      | Item 17                  | Article 27                     | Article 14                       |



## **ITEM 10 FINANCING**

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

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

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

### **A. Pre-Opening Obligations**

Before you open your business, Dickey's will:

1. Designate your protected territory. (Franchise Agreement - Article 1).
2. Integrate you into Dickey's "Phases and Stages" program, an integrated instructional/communications program to assist you in the planning, development and opening of your Restaurant, and in which you will be obligated to participate. (Franchise Agreement - Article 3).
3. Provide you with its then-current written site selection guidelines and counseling and such assistance as Dickey's deems advisable. (Franchise Agreement - Article 3).
4. Provide on-site evaluation (up to three (3) visits without additional charge) 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).
5. Accept or not accept a site for your Restaurant location. For additional information, see Item 11, Paragraph D, titled "Site Selection". (Franchise Agreement - Articles 1 and 7).
6. Provide you with a list of approved architects to whom Dickey's has supplied a set of prototypical architectural and design plans for a Restaurant. You may engage only an architect firm listed on Dickey's then-current list of approved architects, unless Dickey's approves in writing another architect which you request to engage. You will be required to independently and at your own expense have the design plans and specifications adapted for the finish-out or renovation of your Restaurant by the Dickey's-approved architect of your choice. Dickey's does not provide any assistance in conforming the premises to local ordinances and building codes or in obtaining any required permits. Dickey's must review and approve all plans and specifications for the finish-out or renovation of your Restaurant. (Franchise Agreement - Articles 3 and 7).
7. Provide you with assistance and advice concerning equipment, signs, fixtures, supplies and opening inventory selection and purchasing in connection with the opening of the Restaurant as Dickey's deems appropriate. See Item 8 regarding equipment, opening inventory and supplies provided by Dickey's or its approved suppliers and any written specifications for those items. Dickey's does not provide any of these items directly and will not deliver or install any such items. (Franchise Agreement - Article 3).
8. Provide an initial training program for two (2) designated managers and your Owner/Operator. For additional information, see Item 11, Paragraph E, titled "Training". Dickey's will not provide any assistance in hiring any of your employees; however, all employees must meet Dickey's

then-current standards and criteria for the applicable position and any applicable training requirements. (Franchise Agreement - Articles 3, 8 and 9).

9. Provide online access to the Operations Manual (herein so called). A copy of the current table of contents for the Operations Manual is attached hereto as Exhibit D which indicates the subjects covered and number of pages devoted in the Operations Manual to each respective subject. You must strictly comply with the Operations Manual and other Manuals in operating the business. Dickey's has the right to revise the contents of the Manuals at any time. You must comply with all changes to the Manuals when you receive them. (Franchise Agreement - Articles 3 and 11).
10. Provide you with a list of approved suppliers and preferred vendors, as set forth in the Manuals and other written directives as Dickey's deems appropriate from time to time. (Franchise Agreement - Articles 3 and 8).
11. Approve any advertising and promotional items to be used in connection with your "Restaurant opening" promotion, and provide you, at your expense, with at least one (1) trained representative of Dickey's to provide on-site training, supervision and assistance around the time of your "Restaurant opening". For additional information, see Item 11, Paragraph E, titled "Training". (Franchise Agreement - Articles 5 and 9).

#### **B. Obligations After Opening**

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

1. Notify you of any additions, replacements or other changes regarding the menu items or pricing or products and services approved for sale by Dickey's. (Franchise Agreement - Article 8).
2. Provide on-site training, additional initial training programs for successor and replacement managers and Restaurant personnel, and other training programs and seminars as Dickey's deems appropriate from time to time. Dickey's will not provide any assistance in hiring any of your employees; however, all employees must meet Dickey's then-current standards and criteria for the applicable position and any applicable training requirements. For additional information, see Item 11, Paragraph E, titled "Training". (Franchise Agreement - Articles 3 and 9).
3. Provide, as Dickey's deems appropriate, advice and written materials concerning techniques of managing and operating the Restaurant, including new developments and improvements in restaurant equipment, food products, packaging, and preparation. (Franchise Agreement - Article 3).
4. Provide you with guidelines on pricing policies. You have the right to sell your food products and merchandise and offer services at any prices you may determine, so long as you are in compliance with Dickey's general guidelines on pricing policies as set forth in the Manuals or otherwise in writing. Subject to applicable legal constraints, you must participate in and comply with all sales and promotional programs promulgated by Dickey's from time to time. (Franchise Agreement - Article 5).
5. Provide indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks, if your conduct and the conduct of each person owning an equity interest in you with respect to such proceeding and use of the Proprietary Marks is in compliance with the terms of the Franchise Agreement. (Franchise Agreement - Article 10).
6. Loan to you, upon your request, subject to the approval of Dickey's and at such cost as Dickey's makes these materials available to other franchisees operating under the System, copies of any then-current training films and instructional videos and audio materials that may be from time to time developed and made available to franchisees by Dickey's. (Franchise Agreement - Article 3).

7. Conduct, in its discretion, meetings, seminars, and other related activities regarding the operation of Restaurants for franchisees generally, which you may attend. Except as approved by Dickey's, any costs incurred by you or Restaurant personnel in attending such events will be your responsibility. (Franchise Agreement - Article 3).
8. Provide ongoing operational assistance from time to time as Dickey's deems necessary, subject to the availability of appropriate Dickey's personnel. (Franchise Agreement - Article 3).
9. Inspect the Restaurant and evaluate the Restaurant's products and services at such times as Dickey's may deem advisable to maintain the high standards of quality, appearance and service of the System. (Franchise Agreement - Article 3).
10. Provide interim management of the Restaurant in the event of the death or permanent disability of your Owner/Operator, or any other person with a direct or indirect beneficial ownership interest in you if Dickey's determines, in its sole discretion, that such person had substantial control or supervision over the management of your Restaurant. Such interim management is provided by Dickey's at its option and Dickey's will charge a monthly management fee of five percent (5%) of Net Sales plus pass through costs and expenses. In addition, if Dickey's provides one of its employees as manager, you must pay Dickey's the manager's then-current salary for the time of such interim management. (Franchise Agreement - Article 15).
11. Approve or disapprove of any advertising and promotional materials and programs you propose. For additional information, see Item 11, Paragraph C, titled "Advertising". (Franchise Agreement - Articles 3, 5 and 8).
12. Continue to furnish you with a list of approved vendors and/or specifications for certain products and services or notify you of any additions to or changes to the approved vendors and/or specifications. (Franchise Agreement - Articles 3, 7 and 8).
13. Provide additional or remedial training. For additional information, see Item 11, Paragraph E, titled "Training". Dickey's will not provide any assistance in hiring any employees; however, all employees must meet Dickey's then-current standards and criteria for the applicable position and any applicable training requirements. (Franchise Agreement - Articles 3, 8 and 9).
14. Establish or modify a promotional gift card acceptance program for so long as Dickey's elects to do so. (Franchise Agreement - Article 5).
15. Assign to you a franchise business manager in Dickey's sole discretion to advise you as to any operational matters regarding your Restaurant as Dickey's may require. (Franchise Agreement - Article 8).
16. Establish or maintain a catering hotline in which you are required to participate subject to the policies, procedures, terms and conditions prescribed in the Manuals. By participating in the catering hotline, you will be required to offer certain standard catering options required by Dickey's from time to time. Dickey's reserves the right to discontinue or modify the catering hotline at any time.

#### **C. Advertising**

1. You are required to carry out a Restaurant opening promotion relating to the opening of your Restaurant in accordance with the Manuals and as otherwise required by Dickey's, to extend from the period beginning prior to the opening of your Restaurant through the first six (6) months of operation. Any advertising and promotional campaigns used by you in connection with such Restaurant opening promotion must be approved by Dickey's prior to use. You shall comply with the direct and local advertising and promotional campaign for Restaurant openings devised and adapted for you by Dickey's. The \$5,000 payable to Dickey's for "Promotional and Pre-Opening Expenses" described in Item 7 will be spent by Dickey's, in its discretion, on your behalf in

connection with your Restaurant opening promotion. This amount will be used by Dickey's, in its discretion, to fund marketing materials, local advertising and promotional support related to your Restaurant opening promotion. Upon your request, an accounting of the sums spent by Dickey's in connection with your Restaurant opening promotion will be provided. While Dickey's will exercise best efforts to spend the full \$5,000 in connection with your Restaurant opening promotion, any remaining balance after the first six (6) months of the operation of your Restaurant will be deposited into the Marketing Fund and applied by Dickey's in accordance with the procedures described below for the utilization of the proceeds of the Marketing Fund. Sums from the Marketing Fund will not be applied towards Promotional and Pre-Opening Expenses related to your Restaurant opening promotion.

2. You will be required to build Dickey's brand awareness in your community through word of mouth, community marketing, in-store sampling, the offering of free dinner cards, etc. You are not required to expend any minimum amount on local advertising.
3. All advertising and promotion by you in any medium is required to be conducted in a dignified manner and is required to conform to the standards and requirements of Dickey's as set forth in the Manuals, the marketing catalog or otherwise. You may advertise in any medium other than over the internet, provided that you are required to obtain Dickey's approval of all advertising and promotional plans and materials prior to use if such plans and materials are not included in the Dickey's marketing catalog or have not been prepared by Dickey's or previously approved by Dickey's during the six (6) months prior to their proposed use. You are required to submit such unapproved plans and materials to Dickey's. Dickey's has fifteen (15) days from the date of receipt of these materials to approve or disapprove such plans and materials. You may not use unapproved plans or materials until they have been approved by Dickey's, and are required to promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Dickey's. (Franchise Agreement - Article 5).
4. Dickey's has established and intends to maintain a URL website, [www.dickeys.com](http://www.dickeys.com), promoting the System and identifying the location of franchise and company-owned Restaurants. You are required to authorize Dickey's to identify and promote your Restaurant on Dickey's website and further authorize Dickey's to modify its website from time to time and to conduct promotions on a system-wide basis, and you and your Restaurant will participate in all such promotions. You are prohibited from establishing or utilizing your own URL website to promote your Restaurant. (Franchise Agreement - Article 5).
5. Dickey's or an affiliate administers a marketing fund for the purpose of producing marketing materials for the System on a System-wide basis (the "Marketing Fund"). Sums from the Marketing Fund will not be applied towards Promotional and Pre-Opening Expenses related to your Restaurant opening (including, without limitation, new store opening kits or related local advertising or promotional support). You are required to make a continuous contribution to the Marketing Fund in an amount equal to four percent (4%) of the Net Sales of your Restaurant. As of the date of this Disclosure Document, all new franchisees under the System are required to contribute the same percentage of their Net Sales towards the Marketing Fund. However, certain franchisees who executed Franchise Agreements prior to the date of this Disclosure Document may be required to contribute a lower percentage of their sales towards the Marketing Fund. The Marketing Fund is maintained and administered by Dickey's or its designee, in its sole discretion, as follows:
  - a. The Marketing Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks. Dickey's will direct all marketing and advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials, and media used in such programs and the placement and allocation thereof. DBP will, with respect to company-operated Restaurants, contribute to the Marketing Fund. In administering the Marketing Fund, Dickey's and its designees are not required to make expenditures for you

which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

- b. The Marketing Fund may be used by Dickey's in its sole discretion to satisfy or defray any and all costs of maintaining, administering, directing and preparing marketing campaigns, promotions and advertising, including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies to assist therein; costs of Dickey's personnel and other departmental costs for advertising that is internally administered or prepared by Dickey's; costs of providing other advertising materials to Restaurants; and costs of maintaining national "1-800" customer and/or franchisee service telephone numbers if Dickey's elects to establish this service. All sums paid by you to the Marketing Fund will be maintained in a separate account by Dickey's or its designees and will not be used to defray any of Dickey's general operating expenses, except for such reasonable administrative costs, salaries and overhead, that Dickey's may incur in activities reasonably related to the administration or direction of the Marketing Fund and development and implementation of marketing programs for franchisees and the System. Any funds not spent in the fiscal year in which they accrue will be carried forward and used in connection with advertising activities conducted during the following fiscal year. The Marketing Fund will not be used by Dickey's for the targeted purpose of promoting franchise sales, but application of the Marketing Fund may indirectly benefit franchise sales. The Marketing Fund and its earnings will not otherwise inure to the benefit of Dickey's and will be operated solely as a conduit for collecting and expending the advertising fees as outlined above.
- c. A statement of the operations of the Marketing Fund will be prepared annually by Dickey's and will be made available to you upon request, as well as an accounting of Marketing Fund expenditures. The Marketing Fund is audited on an annual basis as part of Dickey's annual audit. For fiscal year ending May 31, 2012, monies in the Marketing Fund were expended as follows:

| <u>Category</u>    | <u>Percentage</u> |
|--------------------|-------------------|
| Administrative     | 8%                |
| Production         | 20%               |
| Media Placement    | 70%               |
| Other <sup>1</sup> | 2%                |

- d. Although the Marketing Fund is intended to be of perpetual duration, Dickey's may terminate the Marketing Fund in its discretion. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for advertising or promotional purposes or returned to contributing franchised or company-operated Restaurants, without interest, on the basis of their respective contributions. (Franchise Agreement - Article 5).
6. You may be required to participate in a local or regional advertising cooperative organized and approved by Dickey's, and composed of certain other franchisees located in the geographic area in which you are located. Membership in, and the coverage of, each advertising cooperative is defined geographically, typically based upon the metropolitan area in which the Restaurant is located. Not all areas will have a Dickey's-approved advertising cooperative. If you are required to participate in a Dickey's-approved advertising cooperative, a certain percentage of your Marketing Fund contribution may be applied towards advertising, marketing and promotions targeting the local or regional area comprising your advertising cooperative pursuant to the terms of a cooperative advertising agreement. The same percentage of each advertising cooperative member's sales revenue designated for advertising and marketing purposes under a franchise agreement with Dickey's will be applied towards such local or regional advertising, marketing and promotions. Advertising cooperatives are not required to prepare financial statements, but an

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

accounting of the funds utilized by an advertising cooperative will be provided upon request by an advertising cooperative member. Each advertising cooperative is governed by the terms of an advertising cooperative agreement approved by Dickey's. Dickey's standard cooperative advertising agreement is available to you for review upon request. Advertising, marketing and promotional activities are based on a majority vote of the members of the advertising cooperative; however, Dickey's must approve all such activities and reserves the right to initiate any advertising, marketing and promotional activity on account of the advertising cooperative. Additionally, Dickey's administers the application of the funds designated for use by advertising cooperatives. Dickey's may terminate an advertising cooperative pursuant to the terms of each particular cooperative advertising agreement (typically by providing thirty (30) days prior written notice of its intent to terminate the advertising cooperative as of December 31st of the year the notice is given). Dickey's reserves the right to require advertising cooperatives to be formed, changed, dissolved or merged. Company-owned Restaurants are not required to participate in advertising cooperatives but may elect to do so. (Franchise Agreement - Article 5).

7. Dickey's has established the National Franchise Advertising and Advisory Council (the "Council") to advise franchisees on advertising policies. The Council is composed of franchisees and representatives of Dickey's. The initial Council members were appointed by Dickey's. Future Council members will be elected by franchisees in the Council member's region. The Council serves in an advisory capacity only and does not have operational or decision-making power. Dickey's has the power to dissolve or change the Council at any time without notice to you and may form other advisory councils.

**D. Site Selection**

1. Dickey's typically requires that you lease the Restaurant site. Generally, Dickey's does not own the Restaurant sites leased to its franchisees. The site for the Restaurant is selected by you, subject to the acceptance of Dickey's. The Restaurant may not be relocated without Dickey's prior written consent. Before you lease the site for the Restaurant, you are required to locate a site that satisfies the site selection guidelines provided to you by Dickey's and submit to Dickey's, in the form specified by Dickey's, a description of the site, including evidence satisfactory to Dickey's demonstrating that the site satisfies Dickey's site selection guidelines, together with other information and materials that Dickey's may require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. You shall submit such information for the proposed site to Dickey's for its acceptance no later than ninety (90) days after the execution of the Franchise Agreement. Dickey's will have thirty (30) days after receipt of this information and materials from you to accept or not accept, in its sole discretion, the proposed site as the location for the Restaurant. You are required to acquire by lease, at your expense, the site for your Restaurant within one hundred eighty (180) days after execution of the Franchise Agreement unless Dickey's decides, in its discretion, to extend such period. You must obtain the acceptance from Dickey's of any lease for the Restaurant premises prior to execution by you. If you fail to acquire a site for the Restaurant within the required period, Dickey's may, among other things, terminate the Franchise Agreement upon notice to you and retain the Franchise Fee and any other fees paid you under the Franchise Agreement. (Franchise Agreement - Articles 1, 3 and 7).
2. Dickey's will provide to you such site selection guidelines and such site selection counseling and assistance as Dickey's deems advisable. Dickey's guidelines for site selection require an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), size and other physical attributes of the location, proximity to residential neighborhoods and proximity to shopping centers, entertainment facilities, other businesses that attract consumers and generate traffic and other factors deemed relevant by Dickey's. (Franchise Agreement - Articles 1, 3 and 7).
3. Dickey's will also provide on-site evaluation of a proposed site if Dickey's deems this to be necessary or in response to your request for site assistance; Dickey's will not provide on-site

evaluation for any proposed site prior to the receipt of the materials required to be submitted to Dickey's as described above. Dickey's will provide up to three (3) on-site evaluations for your Restaurant (and for each Restaurant under a Development Agreement) at no additional charge to you. Thereafter, if additional on-site evaluations are deemed necessary by Dickey's, on its own initiative or at your reasonable request, you must pay a reasonable fee for each additional on-site evaluation and must reimburse Dickey's for all reasonable expenses in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging, meals, and wages. (Franchise Agreement - Articles 1, 3 and 7).

4. Dickey's estimates that the time from execution of the Franchise Agreement to the commencement of operations of the Restaurant will be from six (6) months to one (1) year. The actual time required may vary depending upon the time necessary to locate and then approve a site, financing, the permits and licenses necessary for the finish-out or renovation of the Restaurant and the operation of the Restaurant, the finish-out or renovation of the Restaurant as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, preparation of the interior and exterior of the Restaurant (including decorating, purchasing and installing fixtures, equipment and signs, and landscaping) and complete preparation for the operation of the Restaurant (including purchasing inventory and supplies). You are obligated to open the Restaurant and commence business within one (1) year following the execution of the Franchise Agreement, or in accordance with the development schedule set forth in the Development Agreement, as applicable. (Franchise Agreement - Articles 1, 3 and 7).

**E. Training**

1. Not later than sixty (60) days prior to the opening date of the Restaurant, your Owner/Operator and two (2) other managers are required to have completed, to Dickey's satisfaction, Dickey's initial training program. Each participant must satisfy Dickey's then-current requirements for admission to the initial training program. To be admitted into the initial training program, Dickey's currently requires that each potential trainee has (a) attended and successfully completed at its own cost such ServSafe training classes and obtained the ServSafe Food Manager Certificates and such other ServSafe certifications required by Dickey's, (b) successfully completed a phone interview with a representative of Dickey's, and (c) delivered to Dickey's fully completed copies of Dickey's current application forms and payment of the training fees for the initial training program. Dickey's intends to offer initial training monthly. Training will be conducted at Dickey's corporate training center and/or at a company-operated Restaurant or another location designated by Dickey's. Currently, all such locations are in the North Texas area. 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 up to three (3) weeks. If any of your designated participants fail to meet the admission requirements for the initial training program, if the initial training program is not satisfactorily completed by your trainees after meeting the admission requirements, or if Dickey's, in its reasonable business judgment based upon the performance of your trainees, determines that the initial training program cannot be satisfactorily completed by such person(s), you must immediately designate a replacement trainee(s), as applicable, to apply for and complete such training within thirty (30) days from the date of any such occurrence (but in any event not later than sixty (60) days prior to the opening date of the Restaurant). (Franchise Agreement - Articles 3, 8 and 9).
2. If you fail to designate replacement trainee(s) who have satisfied the admission requirements, if the initial training program is not satisfactorily completed by any replacement trainee (or the initial trainee, if no replacement is designated) by the deadline set forth above, or if Dickey's determines that the training program cannot be satisfactorily completed by such person(s), Dickey's may, in its sole discretion, terminate the Franchise Agreement upon notice to you and retain the Franchise Fee and any other fees paid by you under the Franchise Agreement. (Franchise Agreement - Articles 3, 8 and 9).

3. Dickey's will provide instructors and training materials for the initial training program at a cost to you of \$500 per person. The training materials currently consist of the Manuals (including the Operations Manual, recipe book, training manual and marketing catalog), checklists, demonstrations and on the job-training. Dickey's reserves the right to charge additional amounts for uniforms. In addition, you are responsible for all expenses incurred by your trainees in connection with any initial training program including, without limitation, costs of travel, lodging, meals, and wages. (Franchise Agreement - Articles 3, 8 and 9).
4. The Owner/Operator and your employees may attend such additional or remedial training programs and seminars as Dickey's may offer from time to time. All certified managers shall be required to complete twelve (12) credit hours of continuing education courses per year at a rate of one (1) credit hour per month. Should a certified manager not fulfill the one (1) credit hour per month requirement, that manager will lose their certified status and be required to complete Dickey's field certification program in order to be recertified. At Dickey's discretion, such additional training (including on-site remedial training), will be mandatory for such individuals and other Restaurant personnel as required by Dickey's. For all such training, Dickey's will provide the instructors and training materials; however, Dickey's reserves the right to impose a reasonable fee for such training, including costs of travel, lodging, meals, and wages for Dickey's representatives. You are responsible for any and all expenses incurred by you or your trainees in connection with such additional training including, without limitation, the costs of travel, lodging, meals, and wages. (Franchise Agreement - Articles 3, 8 and 9).
5. In connection with the opening of the Restaurant, Dickey's will provide you with at least one (1) trained representative of Dickey's to provide on-site training, supervision and assistance, with respect to such matters and for such period of time determined by Dickey's in its sole discretion. The on-site training, supervision and assistance for consecutive days and may be provided either before and/or after the opening of the Restaurant. Except as otherwise provided in this Item 11, you will be responsible for training all Restaurant personnel in accordance with the specifications and standards regarding such training described in the Manuals or otherwise in writing by Dickey's. (Franchise Agreement - Article 9).
6. Dickey's training program is run by Chris Kelley. Mr. Kelley's experience is detailed in Item 2.
7. Below is a summary of the subject matters, hours of classroom training, hours of on-the-job training and the location for Dickey's initial training program.

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

**F. Point of Sale System**

1. Before commencement of the operation of the franchised Restaurant, you must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other related accessories, peripherals, consoles and equipment required to operate Dickey's then-current mandatory point of sale system. Currently, as of the date of this Disclosure Document, Dickey's requires that its franchisees use the Aloha Point-of-Sale system (including such add-on consoles as Dickey's may require). The Aloha Point-of-Sale system is available from Radiant Systems, Inc., the only supplier currently approved by Dickey's. The current cost of this point of sale system is approximately \$10,000 to \$15,000. Dickey's also currently requires that you implement the and use the Profit Management Console reporting system, a product of Transactional Web, Inc., the only supplier currently approved by Dickey's. This reporting system currently costs \$150 per month. You must maintain the point of sale system and related consoles and keep them in good repair. Dickey's may also from time to time require you to purchase and utilize any additions, upgrades, enhancements and replacements of the software and hardware (including point of sale systems) developed by or on behalf of Dickey's, or otherwise required by Dickey's, at such cost as Dickey's or its approved vendors make such upgrades, enhancements and replacements available to franchisees operating under the System. The cost of maintaining, updating, upgrading or replacing your point of sale system cannot be estimated at this time because it will depend on your repair history, local costs of computer maintenance and service in your area and technological advances which cannot predict at this time. (Franchise Agreement - Article 8).
2. The point of sale system will store information concerning your sales, inventory, accounting and other operations. You may not further modify or manipulate (except for pricing) the database for the computer software systems without Dickey's prior consent. Dickey's may retrieve from your point of sale system all information we consider necessary, desirable or appropriate. There is no contractual limitation on Dickey's right to access information from your point of sale system. You will have independent access to the information that will be generated or stored in the point of sale and reporting system, but you may not manipulate the data that is generated. (Franchise Agreement - Article 8)

#### G. Development Agreement

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

#### **ITEM 12 TERRITORY**

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

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

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

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

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

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

Under a Development Agreement, you are assigned a geographic area (the "Territory") within which you are required to develop two (2) or more Restaurants in accordance with a prescribed development schedule. The size of the Territory may range from a portion of a city or an unincorporated area to a single or multi-county or single state area and will be described in Article I of the Development Agreement

typically by a map, by boundary streets or highways, city limit or county line boundaries, by an area encompassed within a radius of a specific distance (or a range of distances) or of a distance sufficient to encompass a specified population (or range of populations) or by such other method of delineation as Dickey's may prescribe.

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

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

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

### **ITEM 13 TRADEMARKS**

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

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

| <u>Description</u>                                    | <u>Federal Registration No.</u> | <u>Date of Registration</u> |
|---|---------------------------------|-----------------------------|
| Dickey's Barbecue Pit since 1941                      | 3,205,121                       | February 6, 2007            |
| Dickey's  | 3,237,281                       | May 1, 2007                 |
| A Texas tradition since 1941<br>Dickey's Barbecue Pit | 1,980,072                       | June 11, 1996               |

All affidavits and renewals required to maintain the federal registration of the above-identified Proprietary Marks have been filed. No application for the registration of the Proprietary Marks has been filed in any state.

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

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

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

Dickey's will indemnify you against and reimburse you damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks, provided that your conduct 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, the Trademark Trial and Appeal Board or any state of trademark administrator or court regarding the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings regarding the Proprietary Marks. Further, there is no pending material federal or state court litigation regarding Dickey's use or ownership rights to the Proprietary Marks. There are no superior prior rights or infringing uses regarding the Proprietary Marks known to Dickey's which could materially affect your use of the Proprietary Marks.

#### **ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

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

Dickey's claims a common law copyright, trade secret protection, and proprietary interests in the recipes, development and operating procedures and know-how contained in the Manuals or otherwise used in connection with the development and operation of the Restaurants. You and each person owning an equity interest in you 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, corporation or other entity any confidential information, knowledge or know-how concerning the methods of development and operation of the Restaurants which may be communicated to you, your Owner/Operator or any other person affiliated with you, or of which they may be apprised by virtue of your development and operation of a Restaurant under the terms of any Agreement. You are permitted to divulge this confidential information only to your Owner/Operator and manager(s) of your Restaurant and such other personnel who must have access to it in order to operate the Restaurant. Neither you nor

your Owner/Operator or any other person affiliated with you 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, your Owner/Operator or any other person affiliated with you 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 person who has an ownership interest in you or who otherwise has or will have access to any confidential information of Dickey's, to execute and deliver to Dickey's an agreement by which the signatory covenants and agrees to maintain the confidentiality of the information received by such person or entity in connection with their relationship with Dickey's.

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

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

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

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

1. You must designate and retain an individual to serve as the "Owner/Operator" under the Franchise Agreement. You must designate your Owner/Operator at the time of execution of the Franchise Agreement. The Owner/Operator must meet the following qualifications:
  - (a) If you are an individual, you shall perform all obligations of the Owner/Operator.
  - (b) If you are a corporation, limited liability company, limited partnership, or any other entity, the Owner/Operator shall, at all times during which he or she serves as Owner/Operator, (i) directly or indirectly hold an ownership interest in you, (ii) work on a "full time" basis in the Restaurant, and (iii) be fully authorized, directed and entitled to manage and control the day-to-day business affairs of you and to take any action which you are required to take or omit to take under the agreement Agreement, all in such Owner/Operator's sole discretion, and without the approval or joinder of any person or entity.
2. Typically, Dickey's only permits one person to serve as the Owner/Operator under a Franchise Agreement. The Owner/Operator is required to execute the Franchise Agreement and is bound by all of the obligations of the Franchise Agreement. You may not change your Owner/Operator without Dickey's prior written consent. The Owner/Operator is required to successfully complete Dickey's initial training program.

3. Dickey's requires that the Owner/Operator participate in the on-premises supervision of your Restaurant.
4. In addition to the Owner/Operator, you must appoint at least two (2) managers per Restaurant to assist in the day-to-day management and supervision of each such Restaurant. Each manager must be appointed in a timely manner in order to satisfy each manager's initial training obligation under the Franchise Agreement, must be approved in writing by Dickey's, and must devote full time and best efforts to the daily management and supervision of the Restaurant. Managers are not required to have any equity interest in the franchise.
5. The Owner/Operator and each 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.
6. The Owner/Operator and any manager must satisfy the training requirements set forth in the Franchise Agreement. If, during the term of the Franchise Agreement, the Owner/Operator 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 Owner/Operator 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.
7. 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 set forth in the Franchise Agreement and the Manuals.
8. 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.
9. Pursuant to the Franchise Agreement, at Dickey's request, you shall require and obtain from your Owner/Operator, and other person or entity affiliated with you who has received or will receive confidential information or training from Dickey's, the execution of covenants not to compete and to maintain the confidentiality of information they receive in connection with their relationship with you. These covenants must be similar to those set forth in Article 18 of the Franchise Agreement.
10. Each person who owns an equity interest in you, including the Owner/Operator, is required to jointly and severally guaranty payment and performance of your obligations to Dickey's.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

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

You are required to meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. You must furnish to Dickey's, within three (3) days after receipt, a copy of

any inspection report, warning, citation, certificate, rating and any other document issued by any federal, state, local or other administrative agency, instrumentality or organization with respect to the health or safety conditions of the Restaurant.

To ensure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with such methods, standards and specifications as required by law and as Dickey's may from time to time prescribe in the Manuals or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only such food and beverage items, ingredients, products, materials, equipment, supplies and paper goods that conform to Dickey's standards and specifications and that are acquired from vendors or suppliers approved by Dickey's; prepare all menu items in accordance with Dickey's recipes and procedures for preparation contained in the Manuals or other written directives, including the prescribed measurements of ingredients; and refrain from deviating from Dickey's standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without Dickey's prior written consent. You are required to sell and offer for sale only such menu items, products and services as have been expressly approved for sale in writing by Dickey's; to refrain from any deviation from Dickey's standards and specifications without Dickey's prior written consent; and to discontinue selling and offering for sale any menu items, products or services which Dickey's may, in its discretion, disapprove in writing at any time. (See Item 8).

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

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

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

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

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

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



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

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

| THE FRANCHISE RELATIONSHIP                        |   |  |
|---|---|--|
| Provision   | Section in Franchise or Other Agreement                               | Summary  |
|   | [Article in Franchise Agreement/<br>Article in Development Agreement] | [Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]   |
| a. Length of the franchise term                   | Article 2/<br>Article 4   | <b>20 years, subject to periodic remodeling./</b><br><i>Depends on number of Restaurants you commit to open.</i>   |
| b. Renewal or extension of the term               | Article 2/<br><i>Not applicable.</i>                                  | <b>If you are not in default you can renew franchise for 10 additional years./</b><br><i>Not applicable.</i>   |
| c. Requirements for franchisee to renew or extend | Article 2/<br><i>Not applicable.</i>                                  | 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 materially different terms and conditions from the original Franchise Agreement. The requirements for the franchisee to renew or extend the franchise term include that you pay a renewal fee of \$10,000, sign a new franchise agreement in the then-current form which may contain materially different terms and conditions, comply with the requirements of the new agreement (including higher royalties and advertising contributions, but excluding any franchise or renewal fees), remodel, give 6-12 months notice, satisfy all monetary obligations, provide evidence of your right to possession for the renewal term, execute a release (unless prohibited by applicable local law), comply with the then-current qualifications and training./<br><i>Not applicable.</i> |
| d. Termination by franchisee                      | Articles 16 and 17/<br>Article 6                                      | <b>You may terminate the Franchise Agreement but will be required to, among other things, make a lump sum payment of the royalty fees due for the remaining term of the Franchise Agreement (also see Item 17i., below)./</b><br><i>You may terminate the Franchise Agreement but will be required to comply with the matters set forth in Item 17i.</i>   |
| e. Termination by franchisor without cause        | Article 16/<br>Article 6  | <b>Dickey's has no such rights./</b><br><i>Dickey's has no such rights.</i>  |
| f. Termination by franchisor with cause           | Article 16/<br>Article 6  | <b>Dickey's can terminate only if a franchisee defaults./</b><br><i>Dickey's can terminate if a developer defaults.</i>  |
| g. "Cause" defined – curable defaults             | Article 16/<br>Article 6  | <b>Curable defaults include 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 covenants (including non-competition covenants), purchase of food and beverage or other products or utilizing non-approved vendors or suppliers, unless such breaches are 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, unless such breaches are repeated more than twice in any 12-month period./</b><br><i>You have 30 days to cure breaches of the Development Agreement other than those set forth in Item 17.h.</i>  |

| THE FRANCHISE RELATIONSHIP  |   |   |
|---|---|---|
| Provision   | Section in Franchise or Other Agreement                               | Summary   |
|   | [Article in Franchise Agreement/<br>Article in Development Agreement] | [Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]  |
| h. "Cause" defined – non-curable defaults                               | Article 16/<br>Article 6  | <p><b>Non-curable defaults include bankruptcy or insolvency (Dickey's right to terminate the franchise upon a franchisee's bankruptcy may not be enforceable under federal bankruptcy law), failure to locate a proposed site or acquire accepted location, merger, consolidation or dissolution, levy or foreclosure of your assets, judgments against you, failure to meet health and safety standards, breach of confidentiality or non-compete obligations, unapproved transfers, failure to open your Restaurant within 1 year and repeated defaults even if cured./</b></p> <p><i>Non-curable defaults include bankruptcy or insolvency (Dickey's right to terminate upon a developer's bankruptcy may not be enforceable under federal bankruptcy law), judgments against you, levy or foreclosure of your assets, failure to pay the Development Fee, failure to comply with the development schedule, failure to timely execute Franchise Agreements and to pay Franchise Fee, failure to timely open Restaurants or replacement Restaurants, conviction or plea of nolo contendere to certain offenses by your Owner/Operator, threat or danger to public health or safety resulting from construction, maintenance or operation of any Restaurant, failure to designate a replacement Owner/Operator, failure to comply with certain covenants, representations and warranties, transfer or attempted transfer of obligations under the Development Agreement, failure to affect an approved transfer upon death or disability, misuse of the Proprietary Marks, repeated material defaults.</i></p> |
| i. Franchisee's obligations on termination/non-renewal                  | Article 17/<br>Article 6  | <p><b>Obligations include ceasing operation of your Restaurant, making a lump sum payment of the royalty fees due for the remaining term of the Franchise Agreement, ceasing use of confidential information and the Proprietary Marks, completing the de-identification with Dickey's, at Dickey's option, assigning your lease and telephone number to Dickey's, payment of Dickey's damages, costs, and expenses and other fees, returning all Manuals, materials, files and customer lists, selling to Dickey's, at Dickey's option, all of your assets, and complying with confidentiality covenants (also see item 17r., below)./</b></p> <p><i>Obligations include loss, reduction or modification of Territory and compliance with non-competition covenants.</i></p>   |
| j. Assignment of contract by franchisor                                 | Article 16/<br>Article 7  | <p><b>No restriction on Dickey's right to assign./</b></p> <p><i>No restriction on Dickey's right to assign.</i></p>  |
| k. "Transfer" by franchisee- defined                                    | Article 16/<br>Article 7  | <p><b>Includes transfer of contract or assets or ownership change./</b></p> <p><i>Includes transfer of contract or assets or ownership change.</i></p>  |
| l. Franchisor approval of transfer by you                               | Article 16/<br>Article 7  | <p><b>Dickey's has the right to approve all transfers (except transfers which are not of a "controlling interest" and transfers of less than 1% interest in publicly held corporations) but will not unreasonably withhold approval./</b></p> <p><i>Dickey's has the right to approve all transfers (except for transfers which are not of a "controlling interest" and transfers of less than 1% interest in publicly traded corporations) but will not unreasonably withhold approval.</i></p>  |
| m. Conditions for franchisor approval of transfer                       | Article 16/<br>Article 7  | <p><b>Conditions include payment of a \$10,000 transfer fee (or such greater amount if Dickey's costs and expenses exceed this amount), receipt of payment of all monetary obligations, no default under any agreements, execution of a general release (to the extent not prohibited under applicable law), execution of an agreement by the new franchisee to assume your obligations, if required, execution of a new Franchise Agreement and other agreements, you remain liable for all of your obligations, the new franchisee completes training and otherwise qualifies and the new franchisee renovates the Restaurant as required./</b></p> <p><i>Conditions include payment of a \$10,000 transfer fee (or such greater amount if Dickey's costs and expenses exceed this amount), payment of all monetary obligations, no default under any agreements, execution of a general release (to the extent not prohibited under applicable law), execution of an agreement by the new developer to assume your obligations, if required, execution of a new Development Agreement and other agreements, you remain liable for all of your obligations and new developer satisfies Dickey's requirements for a developer.</i></p>   |
| n. Franchisor's right of first refusal to acquire franchisee's business | Article 16/<br>Article 7  | <p><b>Dickey's can match an offer for the franchisee's business./</b></p> <p><i>Dickey's can match an offer for the developer's business.</i></p>   |

| THE FRANCHISE RELATIONSHIP  |   |  |
|---|---|--|
| Provision   | Section in Franchise or Other Agreement                               | Summary  |
|   | [Article in Franchise Agreement/<br>Article in Development Agreement] | [Items shown in plain bold-face text depict summary from Franchise Agreement / Items shown in italicized text depict summary from Development Agreement]   |
| o. Franchisor's option to purchase franchisee's business                  | Article 17/<br>N/A  | Dickey's has option to purchase the assets of your business upon termination of the franchise.<br><i>Dickey's does not have any such option.</i>   |
| p. Death or disability of franchisee                                      | Article 15/<br>Article 7  | Interest in franchise must be transferred to an approved person within 12 months in the event of death and 6 months in the event of disability.<br><i>Interest in development rights must be transferred to an approved person within 12 months in the event of death and 6 months in the event of disability.</i>   |
| q. Non-competition covenants during the term of the franchise             | Article 18/<br>Article 8  | You will not divert any business or customer to a competitor and you will not be involved in a competing restaurant.<br><i>You will not divert any business or customer to a competitor and you will not be involved in a competing restaurant.</i>  |
| r. Non-competition covenants after the franchise is terminated or expires | Article 18/<br>Article 8  | No competing business for 2 years within 30 miles of your Restaurant or within 5 miles of another Restaurant (including after assignment).<br><i>No competing business for 2 years within 5 miles of the boundary of the Territory or within 5 miles of another Restaurant.</i>  |
| s. Modification of the agreement  | Article 26/<br>Article 14   | Generally, no modifications without your consent, except Dickey's may unilaterally change the scope of the competition covenants, Proprietary Marks and Manual.<br><i>Generally, 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/<br>Article 14   | Only the terms of the Franchise Agreement are binding (subject to state law), except nothing in the Franchise Agreement disclaims the representations made in this Disclosure Document or its attachments and addenda. Any other promises may not be enforceable.<br><i>Only the terms of the Development Agreement are binding (subject to state law), except nothing in the Development Agreement disclaims the representations made in this Disclosure Document or its attachments or addenda. Any other promises may not be enforceable.</i> |
| u. Dispute resolution by arbitration or mediation                         | Article 26/<br>Article 14   | Except for certain claims, all disputes must be mediated and, if not resolved, arbitrated, in Texas.<br><i>Except for certain claims, all disputes must be mediated and, if not resolved, arbitrated, in Texas.</i>  |
| v. Choice of forum  | Article 26/<br>Article 14   | Litigation must be in the state courts of Collin County, Texas or the federal district court for the Northern District of Texas, except as otherwise required by applicable state law.<br><i>Litigation must be in the state courts Collin County, Texas or the federal district court for the Northern District of Texas, except as otherwise required by applicable state law.</i>   |
| w. Choice of law  | Article 26/<br>Article 14   | Texas law applies except as otherwise required by applicable state law.<br><i>Texas law applies except as otherwise required by applicable state law.</i>  |

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur in Dallas, Texas with the costs being borne by each party to the arbitration unless otherwise awarded by the arbitrator. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

#### **ITEM 18 PUBLIC FIGURES**

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

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

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Roland Dickey, Jr. (at 801 E. Plano Parkway, #135, Plano, Texas 75074; Telephone Number: 972-423-2201), the Federal Trade Commission, and the appropriate state regulatory agencies.

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# ITEM 20

## OUTLETS AND FRANCHISEE INFORMATION

| SYSTEM-WIDE OUTLET SUMMARY<br>FOR YEARS 2010 TO 2012 |      |                                     |                                   |            |
|--|------|-------------------------------------|-----------------------------------|------------|
| Outlet Type  | Year | Outlets at the<br>Start of the Year | Outlets at the End<br>of the Year | Net Change |
| Franchised   | 2010 | 105                                 | 109                               | +4         |
|  | 2011 | 109                                 | 126                               | +17        |
|  | 2012 | 126                                 | 212                               | +86        |
| Company-Owned  | 2010 | 6                                   | 6                                 | 0          |
|  | 2011 | 6                                   | 8                                 | +2         |
|  | 2012 | 8                                   | 7                                 | -1         |
| Total Outlets  | 2010 | 111                                 | 115                               | +4         |
|  | 2011 | 115                                 | 134                               | +19        |
|  | 2012 | 134                                 | 219                               | +85        |

### NOTES:

- (1) The figures above and in each subsequent table presented in this Item 20 are for the fiscal years June 1, 2009 – May 31, 2010, June 1, 2010 – May 31, 2011, and June 1, 2011 – May 31, 2012.
- (2) Unless otherwise indicated, the company-owned Restaurants listed above and in each subsequent table presented in this Item 20 are owned by DBP and RGI.

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| TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR)<br>FOR YEARS 2010 TO 2012 |      |                     |
|---|------|---------------------|
| State   | Year | Number of Transfers |
| Arkansas  | 2010 | 0                   |
|   | 2011 | 1                   |
|   | 2012 | 0                   |
| Colorado  | 2010 | 1                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| Texas   | 2010 | 0                   |
|   | 2011 | 11                  |
|   | 2012 | 17                  |
| Missouri  | 2010 | 0                   |
|   | 2011 | 2                   |
|   | 2012 | 2                   |
| Florida   | 2010 | 0                   |
|   | 2011 | 2                   |
|   | 2012 | 1                   |
| Idaho   | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| Illinois  | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| Indiana   | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 0                   |
| North Carolina  | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| New York  | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| Ohio  | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 0                   |
| Washington  | 2010 | 0                   |
|   | 2011 | 0                   |
|   | 2012 | 1                   |
| TOTAL   | 2010 | 1                   |
|   | 2011 | 16                  |
|   | 2012 | 26                  |

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| STATUS OF FRANCHISED OUTLETS<br>FOR YEARS 2010 TO 2012 |      |                                |                   |              |                  |                                |   |                                     |
|--|------|--------------------------------|-------------------|--------------|------------------|--------------------------------|---|-------------------------------------|
| State  | Year | Outlets at<br>Start of<br>Year | Outlets<br>Opened | Terminations | Non-<br>Renewals | Reacquired<br>By<br>Franchisor | Ceased<br>Operations -<br>Other Reasons | Outlets<br>at End<br>of the<br>Year |
| ARKANSAS   | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 1                 | 0            | 0                | 0                              | 0                                       | 2                                   |
| ARIZONA  | 2010 | 3                              | 0                 | 0            | 0                | 0                              | 0                                       | 3                                   |
|  | 2011 | 3                              | 0                 | 0            | 0                | 0                              | 1                                       | 2                                   |
|  | 2012 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
| CALIFORNIA   | 2010 | 8                              | 3                 | 0            | 0                | 0                              | 4                                       | 7                                   |
|  | 2011 | 7                              | 5                 | 4            | 0                | 0                              | 0                                       | 8                                   |
|  | 2012 | 8                              | 12                | 0            | 0                | 0                              | 0                                       | 20                                  |
| COLORADO   | 2010 | 5                              | 0                 | 0            | 0                | 1                              | 0                                       | 4                                   |
|  | 2011 | 4                              | 1                 | 0            | 0                | 0                              | 0                                       | 5                                   |
|  | 2012 | 5                              | 2                 | 0            | 0                | 0                              | 0                                       | 7                                   |
| CONNECTICUT  | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
| FLORIDA  | 2010 | 1                              | 3                 | 2            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 3                 | 3            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 1                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| GEORGIA  | 2010 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 1                 | 0            | 0                | 0                              | 0                                       | 3                                   |
|  | 2012 | 3                              | 2                 | 0            | 0                | 0                              | 0                                       | 5                                   |
| IDAHO  | 2010 | 1                              | 0                 | 1            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 2                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| ILLINOIS   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 2                 | 0            | 0                | 0                              | 2                                       | 0                                   |
|  | 2012 | 0                              | 3                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| IOWA   | 2010 | 1                              | 1                 | 0            | 0                | 0                              | 1                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
| INDIANA  | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 3                 | 1            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 1                 | 1            | 0                | 0                              | 0                                       | 2                                   |
| KANSAS   | 2010 | 1                              | 1                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |

| STATUS OF FRANCHISED OUTLETS<br>FOR YEARS 2010 TO 2012 |      |                                |                   |              |                  |                                |   |                                     |
|--|------|--------------------------------|-------------------|--------------|------------------|--------------------------------|---|-------------------------------------|
| State  | Year | Outlets at<br>Start of<br>Year | Outlets<br>Opened | Terminations | Non-<br>Renewals | Reacquired<br>By<br>Franchisor | Ceased<br>Operations -<br>Other Reasons | Outlets<br>at End<br>of the<br>Year |
| KENTUCKY   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MARYLAND   | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 1                 | 1            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MASSACHUSETTS  | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 1            | 0                | 0                              | 0                                       | 0                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MICHIGAN   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MINNESOTA  | 2010 | 1                              | 2                 | 0            | 0                | 0                              | 0                                       | 3                                   |
|  | 2011 | 3                              | 4                 | 0            | 0                | 0                              | 0                                       | 7                                   |
|  | 2012 | 7                              | 5                 | 0            | 0                | 0                              | 0                                       | 12                                  |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MISSISSIPPI  | 2010 | 1                              | 1                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 3                 | 1            | 0                | 0                              | 0                                       | 4                                   |
|  | 2012 | 4                              | 0                 | 0            | 0                | 0                              | 0                                       | 4                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| MISSOURI   | 2010 | 5                              | 0                 | 0            | 0                | 0                              | 0                                       | 5                                   |
|  | 2011 | 5                              | 2                 | 1            | 0                | 0                              | 0                                       | 6                                   |
|  | 2012 | 6                              | 2                 | 1            | 0                | 0                              | 0                                       | 7                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| NEBRASKA   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 2                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| NEVADA   | 2010 | 2                              | 1                 | 0            | 0                | 0                              | 0                                       | 3                                   |
|  | 2011 | 3                              | 0                 | 1            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 3                 | 0            | 0                | 0                              | 0                                       | 5                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| NEW MEXICO   | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| NEW YORK   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 5                 | 2            | 0                | 0                              | 2                                       | 1                                   |
|  | 2012 | 1                              | 2                 | 0            | 0                | 0                              | 0                                       | 3                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| NORTH CAROLINA   | 2010 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 5                 | 1            | 0                | 0                              | 0                                       | 6                                   |
|  | 2012 | 6                              | 3                 | 0            | 0                | 0                              | 0                                       | 9                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |



| STATUS OF FRANCHISED OUTLETS<br>FOR YEARS 2010 TO 2012 |      |                                |                   |              |                  |                                |   |                                     |
|--|------|--------------------------------|-------------------|--------------|------------------|--------------------------------|---|-------------------------------------|
| State  | Year | Outlets at<br>Start of<br>Year | Outlets<br>Opened | Terminations | Non-<br>Renewals | Reacquired<br>By<br>Franchisor | Ceased<br>Operations -<br>Other Reasons | Outlets<br>at End<br>of the<br>Year |
| OHIO   | 2010 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 1                 | 1            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 2                 | 1            | 0                | 0                              | 0                                       | 2                                   |
| OKLAHOMA   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 2                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 1                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| OREGON   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 1                 | 0            | 0                | 0                              | 1                                       | 0                                   |
|  | 2012 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
| PENNSYLVANIA   | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 1                 | 0            | 0                | 0                              | 0                                       | 2                                   |
| SOUTH CAROLINA   | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 1                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2012 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
| SOUTH DAKOTA   | 2010 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
| TENNESSEE  | 2010 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2011 | 1                              | 0                 | 1            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
| TEXAS  | 2010 | 69                             | 6                 | 6            | 0                | 0                              | 0                                       | 69                                  |
|  | 2011 | 69                             | 9                 | 9            | 0                | 2                              | 2                                       | 65                                  |
|  | 2012 | 65                             | 30                | 1            | 0                | 0                              | 0                                       | 94                                  |
| UTAH   | 2010 | 1                              | 0                 | 1            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 4                 | 0            | 0                | 0                              | 1                                       | 3                                   |
|  | 2012 | 3                              | 5                 | 0            | 0                | 0                              | 0                                       | 8                                   |
| VIRGINIA   | 2010 | 2                              | 0                 | 0            | 0                | 0                              | 0                                       | 2                                   |
|  | 2011 | 2                              | 1                 | 0            | 0                | 0                              | 1                                       | 2                                   |
|  | 2012 | 2                              | 1                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| WASHINGTON   | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 3                 | 0            | 0                | 0                              | 0                                       | 3                                   |
| WISCONSIN  | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2012 | 0                              | 2                 | 0            | 0                | 0                              | 0                                       | 2                                   |

| STATUS OF FRANCHISED OUTLETS<br>FOR YEARS 2010 TO 2012 |      |                                |                   |              |                  |                                |   |                                     |
|--|------|--------------------------------|-------------------|--------------|------------------|--------------------------------|---|-------------------------------------|
| State  | Year | Outlets at<br>Start of<br>Year | Outlets<br>Opened | Terminations | Non-<br>Renewals | Reacquired<br>By<br>Franchisor | Ceased<br>Operations -<br>Other Reasons | Outlets<br>at End<br>of the<br>Year |
| WYOMING  | 2010 | 0                              | 0                 | 0            | 0                | 0                              | 0                                       | 0                                   |
|  | 2011 | 0                              | 1                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  | 2012 | 1                              | 0                 | 0            | 0                | 0                              | 0                                       | 1                                   |
|  |      |                                |                   |              |                  |                                |   |                                     |
| TOTAL  | 2010 | 111                            | 20                | 10           | 0                | 1                              | 5                                       | 115                                 |
|  | 2011 | 115                            | 57                | 26           | 0                | 2                              | 10                                      | 134                                 |
|  | 2012 | 134                            | 90                | 5            | 0                | 0                              | 0                                       | 219                                 |
|  |      |                                |                   |              |                  |                                |   |                                     |

| STATUS OF COMPANY-OWNED OUTLETS<br>FOR YEARS 2010 TO 2012 |      |                                |                   |  |                   |                                   |                               |
|---|------|--------------------------------|-------------------|--|-------------------|-----------------------------------|-------------------------------|
| State   | Year | Outlets at<br>Start of<br>Year | Outlets<br>Opened | Outlets<br>Reacquired<br>From<br>Franchisees | Outlets<br>Closed | Outlets<br>Sold to<br>Franchisees | Outlets at End of<br>the Year |
| Texas   | 2010 | 5                              | 0                 | 0  | 0                 | 0                                 | 5                             |
|   | 2011 | 5                              | 0                 | 2  | 0                 | 0                                 | 7                             |
|   | 2012 | 7                              | 0                 | 0  | 1                 | 0                                 | 6                             |
|   |      |                                |                   |  |                   |                                   |                               |
| New<br>Mexico   | 2010 | 1                              | 0                 | 0  | 1                 | 0                                 | 0                             |
|   | 2011 | 0                              | 0                 | 0  | 0                 | 0                                 | 0                             |
|   | 2012 | 0                              | 0                 | 0  | 0                 | 0                                 | 0                             |
|   |      |                                |                   |  |                   |                                   |                               |
| Colorado  | 2010 | 0                              | 0                 | 1  | 0                 | 0                                 | 1                             |
|   | 2011 | 1                              | 0                 | 0  | 0                 | 0                                 | 1                             |
|   | 2012 | 1                              | 0                 | 0  | 0                 | 0                                 | 1                             |
|   |      |                                |                   |  |                   |                                   |                               |
| Total   | 2010 | 6                              | 0                 | 1  | 1                 | 0                                 | 6                             |
|   | 2011 | 6                              | 0                 | 2  | 0                 | 0                                 | 8                             |
|   | 2012 | 8                              | 0                 | 0  | 1                 | 0                                 | 7                             |
|   |      |                                |                   |  |                   |                                   |                               |

| PROJECTED OPENINGS AS OF MAY 31, 2012 |  |   |   |
|---------------------------------------|--|---|---|
| State                                 | Franchise Agreement Signed But Outlet not Opened | Projected New Franchised Outlet in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
| Alabama                               | 1  | 0   | 0   |
| Arkansas                              | 2  | 1   | 0   |
| Arizona                               | 3  | 1   | 0   |
| California                            | 14   | 3   | 0   |
| Colorado                              | 4  | 0   | 0   |
| Connecticut                           | 1  | 0   | 0   |
| Florida                               | 5  | 0   | 0   |
| Georgia                               | 6  | 1   | 0   |
| Idaho                                 | 1  | 0   | 0   |
| Illinois                              | 1  | 0   | 0   |
| Indiana                               | 3  | 0   | 0   |
| Maine                                 | 2  | 0   | 0   |
| Minnesota                             | 7  | 0   | 0   |
| Mississippi                           | 6  | 0   | 0   |
| Missouri                              | 1  | 0   | 0   |
| Nebraska                              | 6  | 2   | 0   |
| Nevada                                | 2  | 0   | 0   |
| New Mexico                            | 1  | 0   | 0   |
| New York                              | 2  | 0   | 0   |
| North Carolina                        | 3  | 2   | 0   |
| North Dakota                          | 3  | 0   | 0   |
| Oklahoma                              | 4  | 1   | 0   |
| South Dakota                          | 2  | 0   | 0   |
| Texas                                 | 20   | 4   | 1   |
| Utah                                  | 12   | 4   | 0   |
| Virginia                              | 1  | 0   | 0   |
| Washington                            | 5  | 2   | 0   |
| West Virginia                         | 1  | 0   | 0   |
| Wisconsin                             | 2  | 0   | 0   |
| Wyoming                               | 2  | 0   | 0   |
| Total                                 | 123  | 21  | 1   |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |  |                  |
|--|--|------------------|
| Franchisee   | Address of Outlet                                      | Telephone No.    |
| <b>Alabama:</b>                                      |  |                  |
| Wiggins, Roseanne Lyon                               | Location to be determined (Montgomery)                 | (334) 872-0320   |
|  |  |                  |
| <b>Arkansas:</b>                                     |  |                  |
| Maverick Group Management LLC/JJC                    | Location to be determined (Bentonville)                | (417) 234-4889   |
| Maverick Group Management LLC/JJC                    | Location to be determined (Fayettevill)                | (417) 234-4889   |
|  |  |                  |
| <b>Arizona:</b>                                      |  |                  |
| Forrest, Erik  | 7919 East Thomas Road, Suite 111, Scottsdale, AZ 85251 | (602) 758-0998   |
| Forrest, Erik  | Location to be determined (Tempe)                      | (602) 758-0998   |
| Harris, Roy  | Location to be determined (Avondale)                   | (443) 621-0877   |
|  |  |                  |
| <b>California:</b>                                   |  |                  |
| Kao, Alice S.  | Location to be determined (Bay Area)                   | (408) 253-9552   |
| Bagby, Christine                                     | Location to be determined (Bakersfield)                | (805) 714 - 7726 |
| Bagby, Christine                                     | 3621 California Ave, Bakersfield, California 93309     | (805) 714 - 7726 |
| Brothers Food Service, LLC                           | Location to be determined (Paso Robles)                | (805) 478 - 6639 |
| Brothers Food Service, LLC                           | Location to be determined (Arroyo Grande)              | (805) 478 - 6639 |
| Fu, Ming Yi "Elliott"                                | Location to be determined (San Bruno)                  | (650) 922 - 2840 |
| Katzenbarger Interests                               | 5110 Laguna Blv., Suite 120, Elk Grove, CA 92758       | (916) 712 - 6639 |
| Katzenbarger Interests                               | Location to be determined (Sacramento)                 | (916) 712 - 6639 |
| Katzenbarger Interests                               | Location to be determined (Sacramento)                 | (916) 712 - 6639 |
| McLaughlin, Jason                                    | Location to be determined (Temecula)                   | (541) 852 - 0934 |
| Polperro Group, Inc.                                 | 1016 Riley Street, Suite 4 & 5, Folsom, CA 95630       | (916) 781 - 6584 |
| Polperro Group, Inc.                                 | Location to be determined (Carmichael)                 | (916) 781 - 6584 |
|  |  |                  |
| Schiano, Donna and Louis                             | Location to be determined                              | (925) 830 - 4227 |
| Wolcott, Richard Allen                               | 12290 Industry Blvd., Suite 47, Jackson, CA 95642      | (209) 295 - 7902 |
|  |  |                  |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |   |                  |
|--|---|------------------|
| Franchisee   | Address of Outlet   | Telephone No.    |
| <b>Colorado:</b>                                     |   |                  |
| Bungalow Holdings, LLC                               | Location to be determined (Grand Junction)                          | (303) 989 - 1550 |
| Rusnak, Robert "Bob" and Barbara                     | 1460 Garden of the Gods Road, Colorado Springs, CO 80907            | (719) 964 - 7250 |
| The Waterford Restaurant Group, Inc.                 | Location to be determined (Colorado Blvd & I-25)                    | (303) 471 - 1654 |
| Volf, Larry  | 8715 Sheridan Road, Westminster, CO 80003                           | (308) 383 - 6706 |
| <b>Connecticut:</b>                                  |   |                  |
| Mark and Donna Ferrari, LLC                          | 160 Rubber Avenue, Naugatuck, CT 06770                              | (203) 518 - 0811 |
| <b>Florida:</b>                                      |   |                  |
| A Rib and a Prayer, Inc.                             | 2525 West International Speedway Blvd., Ste. 200, Daytona Beach, FL | (321) 615 - 0543 |
| Grumpy Munsta Pumpkin Corporation                    | Location to be determined (Middleburg)                              | (904) 910 - 6223 |
| Lewis, Debra and John                                | 8159 Woodville Highway, Woodville, FL 32362                         | (850) 510 - 1520 |
| South Florida BBQ, Inc.                              | 13499 US 41 Southeast, Fort Myers, FL 33907                         | (239) 633 - 3722 |
| Vu, Carol and Ertur, David                           | Location to be determined (Boca Raton)                              | (954) 649 - 6119 |
| <b>Georgia:</b>                                      |   |                  |
| 3 Guys BBQ LLC and DBP of Athens, LLC                | 810 Hawthorne Avenue, Athens, GA 30606                              | (706) 818 - 2714 |
| Barlow Family Enterprises, LLC                       | 6011 Watson Blvd., Suite 380, Warner Robins, GA 31088               | (478) 919 - 4380 |
| Georgia Restaurant Ventures, LLC                     | Location to be determined (Savannah)                                | (912) 547 - 5655 |
| Georgia Restaurant Ventures, LLC                     | Location to be determined (Savannah)                                | (912) 547 - 5655 |
| Latham, Matthew                                      | 1610 Ridenour Blvd, Kennesaw, Georgia 30144                         | (404) 200 - 5516 |
| Michals, Nicole and Aaron                            | 415 Peachtree Parkway, Suite 255, Cummings, GA 30041                | (215) 806 - 0144 |
| <b>Idaho:</b>  |   |                  |
| BND Retreat, LLC                                     | Location to be determined (Pocatello)                               | (208) 529 - 1655 |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |   |                  |
|--|---|------------------|
| Franchisee   | Address of Outlet                                     | Telephone No.    |
| <b>Illinois:</b>                                     |   |                  |
| Bak, Joseph  | Location to be determined (Oakbrook)                  | (708) 436 - 1744 |
|  |   |                  |
| <b>Indiana:</b>                                      |   |                  |
| Midkiff, Gary  | Location to be determined (Valparaiso)                | (219) 947 - 1378 |
| PDQue, Inc.  | 8455 Broadway, Merrillville, IN 46410                 | (219) 512 - 2731 |
| PDQue, Inc.  | Location to be determined (Hammond)                   | (219) 512 - 2731 |
|  |   |                  |
| <b>Maine:</b>  |   |                  |
| Dickey's Barbecue at the Mall, LLC                   | 364 Maine Mall Road, South Portland, ME 04106         | (207) 329 - 7126 |
| L&B BBQ, LLC   | 23 Bangor Street, Augusta, ME 04330                   | (207) 691 - 0568 |
|  |   |                  |
| <b>Minnesota:</b>                                    |   |                  |
| Cramer, Patrick                                      | 10230 Baltimore Street, Suite 800, Blaine, MN 55449   | (612) 799 - 4692 |
| Grevious, Jodi S.                                    | 15857 US Highway 59 South, Detroit Lakes, MN 56501    | (701) 388 - 2708 |
| Lundell Capital, LLC                                 | 4000 County Road 42, Savage, MN 55378                 | (952) 261 - 7617 |
| Lundell Capital, LLC                                 | 1 Valleyfair Drive, Shakopee, MN 56379                | (952) 261 - 7617 |
| Tepley, Shelia and Daniel                            | 2956 W. Division Street, Suite 3, St. Cloud, MN 56301 | (320) 761 - 6953 |
| Nwakama, Anthony                                     | 900 Clarice Avenue, Marshall, MN 56528                | (507) 829 - 3580 |
| Nwakama, Anthony                                     | Location to be determined (Willmar)                   | (507) 829 - 3580 |
|  |   |                  |
| <b>Mississippi:</b>                                  |   |                  |
| L&B Ventures LLC/Southern Foods                      | 1225 Highway 42, Petal, MS 39465                      | ****             |
| Earley Enterprises, Inc.                             | Location to be determined (Jackson Metro)             | (601) 672 - 5715 |
| Earley Enterprises, Inc.                             | Location to be determined (Jackson Metro)             | (601) 672 - 5715 |
| Earley Enterprises, Inc.                             | Location to be determined (Jackson Metro)             | (601) 672 - 5715 |
| Earley Enterprises, Inc.                             | Location to be determined (Brandon)                   | (601) 672 - 5715 |
| Queen City Food Services, LLC                        | Location to be determined (Philadelphia)              | (601) 513 - 4703 |
|  |   |                  |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |   |                  |
|--|---|------------------|
| Franchisee   | Address of Outlet   | Telephone No.    |
| <b>Missouri:</b>                                     |   |                  |
| Robinson, Gijon                                      | 119 St. Robert Blvd., St. Robert, Missouri 65584            | (832) 508 - 3558 |
| <b>Nebraska:</b>                                     |   |                  |
| Carter, Robert                                       | 2662 Cornhusker, Ste. 9, Lincoln, NE 68521                  | (402) 440- 0064  |
| Carter, Robert                                       | Location to be determined (Lincoln)                         | (402) 440- 0064  |
| Carter, Robert                                       | Location to be determined (Lincoln)                         | (402) 440- 0064  |
| RCCochran, Inc.                                      | 217 East Stolley Park Road, Suite 1, Grand Island, NE 68801 | (308) 440 - 7836 |
| RCCochran, Inc.                                      | 3060 East 1 <sup>st</sup> Street, Kearney, NE 68847         | (308) 440 - 7836 |
| RCCochran, Inc.                                      | Location to be determined (Hastings)                        | (308) 440 - 7836 |
| <b>Nevada:</b>                                       |   |                  |
| A B & Son, Inc.                                      | Location to be determined (Henderson)                       | (702) 521 - 6339 |
| Tellis, Tina   | 4510 North Rancho Drive, Las Vegas, NV 89130                | (702) 290 - 0727 |
| <b>New Mexico:</b>                                   |   |                  |
| Skyberg, Orlinda R.                                  | 820 North US 491, Gallup, NM 87301                          | (214) 693 - 8804 |
| <b>New York:</b>                                     |   |                  |
| DRG Holdings, LLC                                    | Location to be determined (Upstate)                         | (518) 987-7500   |
| UpstateNYBBQ, LLC                                    | Location to be determined (Rochester)                       | (585) 771 - 0348 |
| <b>North Carolina:</b>                               |   |                  |
| BF Foods, LLC  | 2001 Widewaters Pkwy., Knightdale, NC 27545                 | (919) 235 - 7171 |
| BF Foods, LLC  | Location to be determined (North Raleigh)                   | (919) 235 - 7171 |
| BF Foods, LLC  | Location to be determined (Apex)                            | (919) 235 - 7171 |
| Bridges, Ronald                                      | 2278 South Jefferson Highway, Sanford, NC 27330             | (919) 880 - 7100 |
| GTC Development LLC                                  | Location to be determined (Guilford Co)                     | (833) 816 - 4241 |
| GTC Development LLC                                  | Location to be determined (Forsyth Co/Guilford Co)          | (833) 816 - 4241 |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |  |                  |
|--|--|------------------|
| Franchisee   | Address of Outlet  | Telephone No.    |
| <b>North Dakota:</b>                                 |  |                  |
| Becker, Joshua                                       | 623 South Washington Street, Grand Forks, ND 58201                         | (325) 260 - 5020 |
| Deraney, Jaimie                                      | 3402 13th Avenue South, Suite A, Fargo, North Dakota 48103                 | (218) 850 - 7124 |
| Grevious, Jodi S.                                    | Location to be determined (North Port)                                     | (701) 388 - 2708 |
|  |  |                  |
| <b>Oklahoma:</b>                                     |  |                  |
| Two Cowgirls and a Bull LLC                          | 408 South Air Depot, Midwest City, OK 73110                                | (972) 977 - 3978 |
| Two Cowgirls and a Bull LLC                          | 2800 Northwest 63 <sup>rd</sup> Street, Suite 500, Oklahoma City, OK 73116 | (972) 977 - 3978 |
| Pinnacle Restaurants, LLC                            | Location to be determined (Tulsa)  | (214) 683 - 1540 |
| Pinnacle Restaurants, LLC                            | Location to be determined (Tulsa)  | (214) 683 - 1540 |
|  |  |                  |
| <b>South Carolina:</b>                               |  |                  |
| D Brown Ventures, Inc.                               | 10136 Two Notch Road, Columbia, SC 29229                                   | ****             |
|  |  |                  |
| <b>South Dakota:</b>                                 |  |                  |
| Deraney, Jaimie                                      | Location to be determined (Sioux Falls)                                    | (218) 850 - 7124 |
| Nwakama, Anthony                                     | Location to be determined (Sioux Falls)                                    | (507) 829 - 3580 |
|  |  |                  |
| <b>Texas:</b>  |  |                  |
| AAN United Fortune, Inc.; Magic Food USA, Inc.       | Location to be determined (Little Elm)                                     | (972) 998 - 9951 |
| AAN United Fortune, Inc.; Magic Food USA, Inc.       | Location to be determined (Balch Springs)                                  | (972) 998 - 9951 |
| Alexis Properties LLC                                | 5209 Rufe Snow, North Richland Hills, TX 76180                             | (817) 456 - 8950 |
| Dellenbaugh, Steve                                   | 807 South Central Expressway, Suite 300, Anna, TX 75409                    | (214) 557 - 6700 |
| Nehdar, Kirk   | Location to be determined (DFW)  | (972) 632 - 7427 |
| Nehdar, Kirk   | Location to be determined (DFW)  | (972) 632 - 7427 |
| Kress Childs LLC                                     | Location to be determined (Austin)   | (512) 699 - 8798 |
| Esquivel, Marcos A., Marcos M and Amanda             | Location to be determined (Austin)   | (512) 275 - 6565 |
| Monroe, Brandon                                      | Location to be determined (Modlothian)                                     | (817) 454 - 8303 |
| Monroe, Brandon                                      | Location to be determined (Mansfield)                                      | (817) 454 - 8303 |
| Wisdom, J. Alan and Nikki                            | Location to be determined (Levelland)                                      | (806) 894 - 3211 |



**FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED**

| Franchisee                              | Address of Outlet  | Telephone No.    |
|---|--|------------------|
| Mason, Larry "Paul" and Kristin         | 28155 Tomball Parkway, Tomball, TX 77375                           | (713) 254 - 8431 |
| Vahalia, Mark                           | Location to be determined (Prosper)                                | (214) 705 - 9120 |
| Wilson, Matthew B.                      | 3710 South Carrier Pkwy., Suite 100, Grand Prairie, TX 75052       | (972) 754 - 1478 |
| Whittenberg, Montie L.                  | Location to be determined (Humble)                                 | (972) 310 - 7291 |
| Restaurant Growth Inc.                  | 8008 Cedar Springs Road, Suite C2190, Dallas, TX 75235             | (972) 248-9899   |
| Cattle Corner Restaurants LLC           | Location to be determined (Beaumont)                               | ****             |
| Carniero, Roydon                        | Location to be determined (Houston)                                | (832) 863 - 6718 |
| Selman, Samuel K.                       | Location to be determined (North Laredo)                           | (956) 285 - 4534 |
| Owens, Wallace                          | Location to be determined (DFW)                                    | (817) 688 - 9573 |
|   |  |                  |
| <b>Utah:</b>                            |  |                  |
| Bungalow Holdings LLC                   | Location to be determined (Vernal)                                 | ****             |
| Bungalow Holdings LLC                   | Location to be determined (Ogden)                                  | ****             |
| Bungalow Holdings LLC                   | Location to be determined (Fort Union)                             | ****             |
| Bungalow Holdings LLC                   | Location to be determined (Tooele)                                 | ****             |
| Bungalow Holdings LLC                   | Location to be determined (Spanish Fork)                           | ****             |
| Turner, Blake V.                        | 7742 Campus View Drive, Suite 130, Bldg. B, West Johnson, UT 84084 | (801) 828 - 7730 |
| Huang, Jason                            | Location to be determined (Midvale)                                | (801) 592 - 8882 |
| Huang, Jason                            | Location to be determined (Taylorsville)                           | (801) 592 - 8882 |
| Finger Lickin' Brands LLC               | Location to be determined (South Jordan)                           | (801) 898 - 7600 |
| Finger Lickin' Brands LLC               | 241 Wesw 100 South, Salt Lake City, UT 84101                       | (801) 898 - 7600 |
| Jensen, Mel and Bonnie                  | Location to be determined (North St. George)                       | (435) 668-4409   |
| Galli Adventures and Event Planning LLC | Location to be determined (Park City)                              | (435) 657-2276   |
|   |  |                  |
| <b>Virginia:</b>                        |  |                  |
| Henshaw, Terry                          | 7037 Forest Hill Avenue, Richmond, VA 23225                        | ****             |
|   |  |                  |
| <b>Washington:</b>                      |  |                  |
| C&D BBQ Foods LLC                       | Location to be determined (Ferndale)                               | (360) 393 - 2181 |
| Schrader, Dale                          | Location to be determined (Bellingham)                             | (604) 535 - 2463 |
| Schrader, Dale                          | Location to be determined (Bellingham)                             | (604) 535 - 2463 |

| FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT YET OPENED |   |                  |
|--|---|------------------|
| Franchisee   | Address of Outlet   | Telephone No.    |
| Schrader, Dale                                       | Location to be determined (Blaine)                                | (604) 535 - 2463 |
| Young, Gina F.                                       | 1001 Cooper Point Road Southwest,<br>Suite 175, Olympia, WA 98502 | (360) 451 - 3765 |
|  |   |                  |
| <b>West Virginia:</b>                                |   |                  |
| Reeves, Stephanie A.                                 | 1002 North Eisenhower Drive,<br>Beckley, WV 25801                 | (304) 731 - 2054 |
|  |   |                  |
| <b>Wisconsin:</b>                                    |   |                  |
| Berg, Butch A.                                       | 1320 North Broadway, Menomonie, WI<br>54751                       | (715) 225 - 6844 |
| Pecor, Aaron   | 895 Lombardi Avenue, Green Bay, WI<br>54304                       | (920) 373 - 5638 |
|  |   |                  |
| <b>Wyoming:</b>                                      |   |                  |
| Small, John Alexander                                | Location to be determined (Sheridan)                              | (307) 871 - 5948 |
| Small, John Alexander                                | Location to be determined (Gillette)                              | (307) 871 - 5948 |

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| LIST OF CURRENT OUTLETS      |  |                         |
|------------------------------|--|-------------------------|
| Franchisee                   | Address of Outlet  | Telephone No. of Outlet |
| <b>Arkansas:</b>             |  |                         |
| RRTC Ventures Inc            | 105 S. Dixieland St., Lowell AR 72745                            | (479) 770-0123          |
| Yang, Por                    | 1951 East Hwy. 412, Siloam Springs, Arkansas 72761               | (479) 238-1112          |
| <b>Arizona:</b>              |  |                         |
| Arizona Barbeque LLC         | 7337 E Shea Blvd, Scottsdale, AZ 85260                           | (480) 368-5569          |
| Smokin AZ LLC                | 1914 S. Power Road, Mesa, Arizona 85206                          | (480) 358-7335          |
| <b>California:</b>           |  |                         |
| AbbeyHill Enterprises Inc.   | 701 Pleasant Grove Blvd., Ste. 150, Roseville, CA 95678          | (916) 253-9235          |
| Bagby, Christine             | 2212 South Bradley Road, Suite D-3, Santa Maria, CA 93454        | (905) 825-6600          |
| BBQ So Cal LLC               | 9670 Haven Ave, Rancho Cucamonga, CA 91730                       | (909) 477-4555          |
| BBQ So Cal LLC               | 16391 Sierra Lakes Pkwy, Fontana, CA 92336                       | (909) 356-1295          |
| Brothers Food Service, LLC   | 799 Foothill Blvd., Suite A, San Luis Obispo, CA 93405           | (805) 996-0005          |
| C4CE Inc.                    | 1031 Cochrane Ave., Suite 100, Morgan Hill, CA 95037             | (408) 778-8575          |
| CooJoy LLC                   | 1524 N. Vasco Rd., Livermore, CA 94551                           | (925) 606-4200          |
| CooJoy LLC                   | 6654 Koll Center Pkwy., Ste. 330, Pleasanton, CA 94566-3170      | (925) 426-6800          |
| Ed Phillips (CA Corporation) | 77 North Main Street, Porterville, CA 93257                      | (559) 832-2227          |
| Green, Chris & Mercedes      | 11971 Central Ave Ste A, Chino, CA 91710                         | (909) 902-1374          |
| GJones3 Ventures, LLC        | 407 N. Pacific Coast Highway, Suite 102, Redondo Beach, CA 90277 | (310) 379-0202          |
| Lehrer, Marc                 | 1402 Camden Ave., Campbell, CA 95008                             | (408) 915-5051          |
| LPC Enterprises, Inc.        | 5391 Prospect Road, San Jose, CA 95129                           | (408) 725-1608          |
| LPC Enterprises, Inc.        | 43321 Boscell Rd., Ste. P9-B, Fremont, CA 94538                  | (510) 687-1805          |
| Marsh-King, Dianne           | 2816 McHenry Avenue, Modesto, CA 95350                           | (209) 542-8505          |
| Owens, Damon                 | 5434 Ygnacio Valley Road, Concord, CA 94521                      | (925) 689-5525          |
| Saucy Fingers                | 9035 Reseda Blvd., Los Angeles, CA 91324                         | (818) 527-2271          |
| Schiano, Donna and Louis     | 3191 D Crow Canyon Place, San Ramon, CA 94583                    | (925) 830-4227          |
| Stephens, Amy                | 2634 Pleasant Hill Road, Pleasant Hill, CA 94523                 | (925) 271-9299          |
| Wolcott, Richard Allen       | 9035 Roseda Blvd., Los Angeles, CA 91324                         | (818) 527-2271          |

| LIST OF CURRENT OUTLETS            |  |                         |
|------------------------------------|--|-------------------------|
| Franchisee                         | Address of Outlet  | Telephone No. of Outlet |
| <b>Colorado:</b>                   |  |                         |
| Bungalow Holdings, LLC             | 3140 S Wadsworth Blvd, Lakewood, CO 80227                  | (303) 989-1550          |
| D.H. O'Hara, LLC                   | 2331 23 <sup>rd</sup> Avenue, Greeley, CO 80634            | (970) 330-7005          |
| HMSHost USA LLC                    | 14500 W Colfax FC11, Lakewood, CO 80401                    | (303) 215-7100          |
| MML Restaurants Inc                | 10230 E Arapahoe Rd, Centennial, CO 80112                  | (303) 792-2444          |
| MML Restaurants Inc                | 5350 S Santa Fe Dr, Littleton, CO 80120                    | (303) 893-2557          |
| Restaurant Growth Inc (RGI)        | 459 S McCaslin Blvd, Louisville, CO 80027                  | (303) 604-0223          |
| The Waterford Restaurant Group Inc | 4004 Red Cedar Drive, Highlands Ranch, CO 80126-8069       | (303) 944-8556          |
| <b>Connecticut:</b>                |  |                         |
| Cohen, Alan                        | 4577 Main Street, Bridgeport, CT 06606                     | (203) 665-8815          |
| <b>Florida:</b>                    |  |                         |
| C & R Family Enterprises Inc.      | 2653 Bruce B Downs Blvd., Ste 101, Wesley Chapel, FL 33025 | (813) 406-4473          |
| GHHK Group, LLC                    | 11338 Miramar Parkway, Miramar, FL 33025                   | (954) 450-2810          |
| Warren Restaurants, LLC            | 5414 Deep Lake Rd, Oviedo, FL 32765                        | (407) 657-5018          |
| <b>Georgia:</b>                    |  |                         |
| 3 Guys BBQ, LLC                    | 2131 Hog Mountain Rd, Watkinsville, GA 30677               | (706) 705-1326          |
| Georgia Restaurant Ventures, LLC   | 1109 U.S. Hwy 80 E., Unit E, Pooler, GA 31322              | (912) 988-1286          |
| Kuehl, Charles & Carla             | 460 Crosstown Road, Peachtree City, GA 30269               | (678) 364-9573          |
| Premier Group Properties LLC       | 13075 Hwy 9 N., Milton, GA 30004                           | (770) 664-2504          |
| Premier Group Properties LLC       | 6631 Roswell Road, Suite 7, Atlanta, GA 30328              | (404) 255-0017          |
| <b>Idaho:</b>                      |  |                         |
| BND Retreat, LLC                   | 2090 East 17 <sup>th</sup> Street, Idaho Falls, ID 83404   | (208) 528-7427          |
| G8 Enterprises, Inc.               | 1807 12 <sup>th</sup> Avenue Road, Nampa, ID 83681         | (208) 461-0600          |
| Meridian BBQ LLC                   | 2845 Overland Road, Suite 190, Meridian, ID 83642-9435     | (208) 884-8999          |
| <b>Illinois:</b>                   |  |                         |
| Bak, Joseph                        | 15110-A South LaGrange Road, Orland Park, IL 60462         | (708) 226-3090          |
| Jensen, Bill                       | 3419 Avenue of the Cities, Moline, IL 61265                | (309) 797-1100          |
| JTA Holdings, LLC                  | 206 Danada Square, Wheaton, IL 60189                       | (630) 590-9518          |

| LIST OF CURRENT OUTLETS            |   |                         |
|------------------------------------|---|-------------------------|
| Franchisee                         | Address of Outlet   | Telephone No. of Outlet |
| <b>Indiana:</b>                    |   |                         |
| Lamarbis, LLC                      | 6200 US Hwy, Route 6, Portage, IN 46368-5057                    | (219) 938-5486          |
| PDQue Inc                          | 713-B Indianapolis Blvd., Schererville, IN 46375-1798           | (219) 322-9690          |
| <b>Iowa:</b>                       |   |                         |
| JBNATA Inc                         | 4706 Utica Ridge Rd, Davenport, IA 52807                        | (563) 344-4757          |
| <b>Kansas:</b>                     |   |                         |
| A & A Industries LLC               | 7284 W 121 <sup>st</sup> St., Ste. 101, Overland Park, KS 66213 | (913) 338-5902          |
| WGW of Kansas Inc.                 | 609 NW Us Hwy 24, Topeka, KS 66608                              | (785) 215-8215          |
| <b>Kentucky:</b>                   |   |                         |
| Rigney, David and Eva              | 1001 Jamestown Road, Columbia, KY 42728                         | (270) 385-9100          |
| <b>Maryland:</b>                   |   |                         |
| Baltimore BBQ LLC                  | 1121 State Route 3 N, Gambrills, MD 21054                       | (410) 451-2328          |
| <b>Michigan:</b>                   |   |                         |
| KANDG Development Group, LLC       | 3672 Rochester Road, Troy, MI 48083                             | (248) 250-9263          |
| <b>Minnesota:</b>                  |   |                         |
| DL Hlavac Enterprises, LLC         | 1000 Paul Bunyan Drive NW, Suite 100, Bemidji, MN 56601         | (218) 444-6022          |
| Eggerud Enterprises Inc            | 3090 Courthouse Lane, Suite 100, Eagan, MN 55121-1672           | (651) 905-7725          |
| First Impact Restaurant Group LLC  | 13131 Riverdale Drive, Suite 100, Coon Rapids, MN 55448         | (763) 427-0149          |
| Fourth Impact Restaurant Group LLC | 13250 Technology Drive, Eden Prairie, MN 55344                  | (952) 934-5126          |
| Mueller, Dale                      | 1575 Queens Drive, Suite 202, Woodbury, MN 55125                | (651) 739-1515          |
| RMW Twins, LLC                     | 5466 St. Croix Trail, North Branch, MN 55056                    | (651) 400-7947          |
| Second Impact Restaurant Group LLC | 250 E. Travelers Trail, Burnsville, MN 55337-4099               | (952) 882-4651          |
| Stewart, Jason & Jessica           | 14165 James Road, Rogers, MN 55374-9317                         | (763) 420-4227          |
| Snover, Eric and Jon               | 8088 Old Carriage Court North, Shakopee, MN 55379-3156          | (952) 233-7319          |
| Snover, Eric and Stewart, Jason    | 3195 Vicksburg Lane, Plymouth, MN 55447-4755                    | (763) 746-0029          |
| Third Impact Restaurant Group LLC  | 11631 Fountains Dr., Ste. 305, Maple Grove, MN 55369            | (763) 416-2271          |

| LIST OF CURRENT OUTLETS           |  |                         |
|-----------------------------------|--|-------------------------|
| Franchisee                        | Address of Outlet  | Telephone No. of Outlet |
| Wiese, Jae                        | 1316 South Frontage Road, Hastings, MN 55033               | (651) 319-0389          |
| <b>Mississippi:</b>               |  |                         |
| CH Development Inc                | 50 Cross Creek Pkwy, Hattiesburg, MS 39402                 | (601) 450-1710          |
| Earley Enterprises, Inc.          | 268 Dogwood Blvd., Flowood, MS 39232                       | (601) 992-4200          |
| L & B Ventures LLC                | 2159 Hwy. 15 N, Laurel, MS 39440-1836                      | (601) 428-5855          |
| Queen City Food Services LLC      | 103 South Frontage Road, Ste. 200, Meridian, MS 39301-6136 | (601) 483-3805          |
| <b>Missouri:</b>                  |  |                         |
| Chridan Enterprises, LLC          | 2540 Granite Rd., Lebanon, MO 65536                        | (417) 532-4227          |
| D & L Ventures Inc                | 9000 N. Skyview Ave., Ste. 1600, Kansas City, MO 64154     | (816) 505-3900          |
| SREE, LLC                         | 9200 Olive Blvd, Olivette, MO 63132                        | (314) 993-9933          |
| SREE, LLC                         | 932 Meramec Station Rd Ste K, Valley Park, MO 63088        | (636) 225-4227          |
| Market Express Inc                | 1912 South Brentwood Blvd., St. Louis, MO 63144-1812       | (314) 961-6699          |
| Maverick Group Management LLC/JJC | 1360 Republic Road, Springfield, MO 65804                  | (417) 887-2227          |
| Maverick Group Management LLC/JJC | 111 N. Massey Blvd., Nixa, MO 65714                        | (417) 724-1100          |
| <b>Nebraska:</b>                  |  |                         |
| Carter, Robert                    | 1226 P Street, Lincoln, NE 68508                           | (402) 447-7757          |
| RCCochran, Inc.                   | 222 West 42 <sup>nd</sup> Street, Kearney, NE 68847        | (308) 234-4696          |
| <b>Nevada:</b>                    |  |                         |
| D and M Rib Team LLC              | 395 E Plumb Ln, Reno, NV 89502                             | (775) 324-7427          |
| D and M Rib Team LLC              | 290 Lemon Drive, Suite 102, Reno, NV 89506                 | (775) 677-2089          |
| D and M Rib Team LLC              | 1650 Robb Drive, Reno, NV 89523                            | (775) 787-1383          |
| 31 Hill Road LLC                  | 3250 Retail Drive, Suite 100, Carson City, NV 89706        | (775) 525-0555          |
| JPQue LLC                         | 7430 Las Vegas Blvd S Ste 110, Las Vegas, NV 89123         | (702) 220-4227          |
| <b>New Mexico:</b>                |  |                         |
| Joseph Mathieu                    | 1660 S. Valley Dr., Las Cruces, NM 88005                   | (575) 525-2525          |
| <b>New York:</b>                  |  |                         |
| Sporn, Perry and Wolinsky, Scott  | 71 Smithfield Blvd., Plattsburgh, New York 12901           | (518) 593-6179          |
| Cassaras, Charles                 | 10 Westgate Drive, Fishkill, NY 12524                      | (845) 896-9680          |
| DRG Holdings, LLC                 | 756 Upper Glen St., Suite 8, Queensbury, NY 12804          | (518) 798-7500          |

| LIST OF CURRENT OUTLETS        |   |                         |
|--------------------------------|---|-------------------------|
| Franchisee                     | Address of Outlet   | Telephone No. of Outlet |
| <b>North Carolina:</b>         |   |                         |
| BF Foods, LLC                  | 3103 E. Tenth Street, Greenville, NC 27858-4203           | (252) 353-0190          |
| Bridges, Ronald; Perez, Gloria | 10564 S. US Highway 15/501, Southern Pines, NC 28387-5167 | (910) 246-1511          |
| E. L. Davis, Inc.              | 6552 Glenwood Avenue, Raleigh, NC 27612                   | (919) 436-3994          |
| GMW Carolina Inc               | 200 Crossroads Blvd Ste 100, Cary, NC 27518               | (919) 233-5801          |
| GMW Carolina Inc               | 5318 New Hope Commons Dr Ste 210, Durham, NC 27707        | (919) 419-1101          |
| GMW Carolina Inc               | 170 East Davie Street, Raleigh, NC 27601                  | (919) 809-8830          |
| GTC Development LLC            | 615 Jonestown Road, Winston-Salem, NC 27103-1206          | (336) 790-3246          |
| GTC Development LLC            | 5872 Samet Drive, Suites 133 & 135, High Point, NC 27265  | (336) 905-7777          |
| RBD Carolina LLC               | 1036 Lenoir Rhyne Blvd., Southeast, Hickory, NC 28802     | (828) 855-9390          |
| <b>Ohio:</b>                   |   |                         |
| Bridges, William               | 820 Sunbury Road, Delaware, OH 43015                      | (740) 363-2400          |
| Salem, Anthony                 | 960 North Court Street, Medina, OH 44256                  | (330) 723-2300          |
| <b>Oklahoma:</b>               |   |                         |
| Park Enterprises LLC           | 115 SE 12 <sup>th</sup> Street #110, Norman, OK 73071     | (405) 321-7427          |
| Pinnacle Restaurants, LLC      | 6044 S. Yale Ave., Tulsa, OK 74135-7412                   | (918) 551-6500          |
| Pinnacle Restaurants, LLC      | 820 North Aspen, Broken Arrow, OK 74012                   | (928) 208-0777          |
| <b>Oregon:</b>                 |   |                         |
| Cameron, Mike                  | 124 NE Third Street, Gresham, OR 97030                    | (503) 328-8795          |
| <b>Pennsylvania:</b>           |   |                         |
| Summit Barbeque LLC            | 3221 Schoenersville Rd, Bethlehem, PA 18017               | (610) 625-2200          |
| T & T Enterprises, LLC         | Mill Creek Road, Allentown, PA 18106                      | (610) 366-7484          |
| <b>South Carolina:</b>         |   |                         |
| Verdana Investments LLC        | 6001 Wade Hampton Blvd, Taylors, SC 29687                 | (864) 848-0004          |
| Verdana Investments LLC        | 13921 Asheville Highway, Gramling, SC 29348               | (864) 472-2424          |

| LIST OF CURRENT OUTLETS                       |  |                         |
|---|--|-------------------------|
| Franchisee                                    | Address of Outlet  | Telephone No. of Outlet |
| <b>South Dakota:</b>                          |  |                         |
| Holway, Leo                                   | 1565 Haines Avenue, Rapid City, SD 57702                       | (605) 791-5400          |
| <b>Texas:</b>                                 |  |                         |
| AAN United Fortune, Inc./Magic Food USA, Inc. | 3505 South Street, Nacagdoches, TX 75964                       | (936) 559-5461          |
| Addison's Best BBQ Inc                        | 14999 Preston Rd Ste 100C, Dallas, TX 75254                    | (972) 661-2006          |
| Addison's Best BBQ Inc                        | 3711 Beltline Rd., Addison, TX 75001                           | (972) 241-1800          |
| Afzal, Muhammad                               | 3320 Long Prairie, Flower Mound, TX 75022                      | (972) 691-0197          |
| Afzal, Muhammad                               | 3220 E Hebron Pkwy, Carrollton, TX 75010                       | (972) 307-1100          |
| Almeda Barbecue LLC                           | 1224 N Hwy 377 Ste 221, Roanoke, TX 76262                      | (817) 491-3100          |
| Arterburn Brothers LP                         | 2324 McKinney Ave, Dallas, TX 75201                            | (214) 703-2591          |
| Arterburn Brothers LP                         | 5745 SH 121, The Colony, TX 75056                              | (214) 703-2702          |
| Asia Modern LLC                               | 5330 N Macarthur Blvd Ste 168, Irving, TX 75038                | (972) 580-1917          |
| Asia Modern LLC                               | 3254 Irving Blvd, Dallas, TX 75247                             | (214) 638-5123          |
| Bar-B-Q Pit Stop No 1 LLC                     | 10700 Kuykendahl Rd Ste A, The Woodlands, TX 77381             | (281) 298-8422          |
| BCF Enterprises Inc                           | 1301 Century Way, Wylie, TX 75098                              | (972) 429-8525          |
| Bhatty, Sal                                   | 661 Louis Henna Blvd., Suite 330, Round Rock, Texas 78664      | (630) 670-1354          |
| Brazos East Enterprises LLC                   | 2750 South Preston Road, Celina, TX 75009                      | (972) 347-4788          |
| Buffalo Partners Ltd                          | 2710 W Commerce, Buffalo, TX 75831                             | (903) 322-6666          |
| Carpenter, Dwain                              | 5001 US Highway 227 S, Abilene, TX 79605                       | (325) 695-0047          |
| Conrado Enterprises Inc                       | 2469 Dalworth St., Grand Prairie, TX 75050                     | (972) 641-9044          |
| CRL Enterprises LLC/Brodie LLC                | 5350 Burnet Road, Suite 1, Austin, TX 78756-2006               | (512) 892-2283          |
| CRL Enterprises LLC/Brodie LIC                | 5207 Brodie Ste. 115, Sunset Valley, TX 78745                  | (512) 892-2283          |
| 380 Crossroad Inc                             | 2401 Hwy 380, Crossroads, TX 76227                             | (940) 440-0514          |
| Curtis, Ryan                                  | 951 North Beach Street, Fort Worth, TX 76111                   | (682) 6417-0222         |
| Curtis, Ryan                                  | 251 Southwest Wilshire Blvd., Ste 126, Burleson, TX 76028-4700 | (817) 295-2006          |
| Curtis, Ryan                                  | 6219 Oakmont Blvd., Fort Worth, TX 76132                       | (817) 346-0110          |
| Dickey's Barbecue Pits Inc                    | 4610 Central Expy, Dallas, TX 75206                            | (214) 370-4550          |
| Dickey's Barbecue Pits Inc                    | 1211 14th St, Plano, TX 75074                                  | (972) 423-9960          |
| Dickey's Barbecue Pits Inc                    | 7770 Forest Ln, Dallas, TX 75230                               | (214) 691-1494          |
| Dickey's Barbecue Pits Inc                    | 1441 Coit Rd Ste A, Plano, TX 75075                            | (972) 867-2901          |
| Do, Peter                                     | 6531 FM 78, Suite 102, San Antonio, TX 78244                   | (210) 560-3227          |
| Dutch, John                                   | 7316 Louetta Road, Spring, TX 77379                            | (281) 251-2809          |



| LIST OF CURRENT OUTLETS               |   |                         |
|---------------------------------------|---|-------------------------|
| Franchisee                            | Address of Outlet   | Telephone No. of Outlet |
| Fatted Calf Holdings LLC              | 1911 Taylor Street, Ste A, Houston, TX 77007-3950           | (832) 673-0077          |
| Farog, Rao Umar                       | 4001 South Medford Drive, Suite 100, Lufkin, Texas 75901    | (936) 632-0227          |
| The Fort Worth Zoological Association | 1989 Colonial Pkwy, Fort Worth, TX 76110                    | (817) 759-7500          |
| Grace BBQ Ventures, Inc.              | 2912 N. Beltline Road, Irving, TX 75062                     | (972) 255-0033          |
| Gruene Barbecue Unlimited LLC         | 5695 Kyle Parkway, Suite 100, Kyle, TX 78640                | (512) 268-3200          |
| Haskell Restaurant Group LLC          | 5210 W Wadley Ave, Midland, TX 79707                        | (432) 689-4500          |
| Hersai USA LLC                        | 6011 FM 1488 Rd., Ste. A, Magnolia, TX 77354                | (281) 259-5619          |
| Hill, Kent                            | 1511 Justin Road Suite 118A, Lewisville, Texas 75077        | (972) 317-3400          |
| Jai Ambedurga, LLA                    | 717 Hebron Parkway, Suite 130, Lewisville, TX 75067         | (214) 914-5414          |
| Jai Ambedurga LLC                     | 1001 N I-35 E Ste 116A, Desoto, TX 75115                    | (469) 567-8341          |
| JLB Barbecue LLC                      | 501 N Industrial Blvd Ste 100, Bedford, TX 76021            | (817) 354-5551          |
| JLB Barbecue LLC                      | 5412 Blue Mound Road, Fort Worth, TX 76106-1942             | (817) 289-0030          |
| Johnson, Scotty                       | 701 N. Main, Seminole, Texas 79360                          | (432) 209-0154          |
| Joni, LLC                             | 1418 North Loop 336 West, Conroe, TX 77304                  | (936) 539-2560          |
| Judge Corporation                     | 120 E. Highway 80, Forney, TX 75160                         | (972) 564-5577          |
| Kotufa Enterprises, LLC               | 401 W Whitestone Blvd Ste C100, Cedar Park, TX 78613        | (512) 250-1495          |
| Kotufa Enterprises LLC                | 7247 Bandera Rd, San Antonio, TX 78238                      | (210) 543-9700          |
| Kotufa Enterprises LLC                | 3107 TPC Pkwy Ste 106, San Antonio, TX 78259                | (210) 497-1177          |
| Kotufa Enterprises LLC                | 834 NW Loop 410 Ste 105, San Antonio, TX 78216              | (210) 979-7733          |
| Kress Childs, LLC                     | 696 Highway 71 West, Bastrop, TX 78602                      | (512) 772-4131          |
| Kwon Enterprises                      | 2445 W Northwest Hwy Ste 106, Dallas, TX 75220              | (214) 350-3095          |
| M & J BBQ Restaurants LLC             | 1109 Bay Area Blvd., Houston, TX 77058-2559                 | (281) 286-7427          |
| Modern Pyramids Inc                   | 1700 Dalrock Road, Rowlett, TX 75088-5501                   | (469) 368-0093          |
| New, Guy                              | 5701 Liberty Grove Road, Suite 110, Rowlett, TX 75089       | (972) 412-0667          |
| Ortiz, Luis                           | 2521 East US Expressway, Suite 100, Mission, TX 78572       | (956) 682-6077          |
| Plutus Partners LLC                   | Eldorado Parkway at Fm 423, Suite 100, Little Elm, TX 75068 | (469) 362-6776          |
| Preston 5 BBQ Inc (Dale Smith)        | 4032 Preston Rd, Plano, TX 75093                            | (972) 398-3030          |
| Preston 5 BBQ Inc (Dale Smith)        | 1150 N Plano Rd, Richardson, TX 75081                       | (972) 907-8494          |
| Preston 5 BBQ Inc (Dale Smith)        | 405 S Central Expy, Allen, TX 75013                         | (214) 495-8877          |
| Preston 5 BBQ Inc (Dale Smith)        | 3721 S I-35 E, Denton, TX 76210                             | (940) 566-5290          |
| Preston 5 BBQ Inc (Dale Smith)        | 8628 Hwy 121, McKinney, TX 75070                            | (972) 727-1300          |
| Pride Ventures, LLC                   | 11824 FM 2305, Belton, TX 75613                             | (254) 780-9900          |
| The Promize Barbecue LLC              | 642 Uptown Blvd, Cedar Hill, TX 75034                       | (972) 291-3060          |

| LIST OF CURRENT OUTLETS                |   |                         |
|--|---|-------------------------|
| Franchisee                             | Address of Outlet   | Telephone No. of Outlet |
| Quiroga, Heriberto                     | 1201 South Jackson Road, Suite 9,<br>Pharr, TX 78577-6859 | (956) 631-2012          |
| Renaissance Advantage Group LLC        | 3700 Gus Thomasson, Mesquite, TX<br>75150                 | (972) 686-6822          |
| Restaurant Growth Inc                  | 2525 Wycliff Ave., Ste 130, Dallas, TX<br>75219-2551      | (214) 780-0999          |
| Restaurant Growth Inc                  | 600 N Central Expy, McKinney, TX<br>75070                 | (972) 540-5340          |
| Rosario Enterprises Inc.               | 1201 Elm St., Ste. FC4, Dallas, TX<br>75270               | (214) 760-2400          |
| Shallow Creek Restaurant               | 2919 Forest Lane, Dallas, TX 75234                        | (972) 247-1534          |
| Sidsam Inc                             | 801 S Denton Tap Rd, Coppell, TX<br>75019                 | (972) 393-7800          |
| Sidsam Inc                             | 5530 S Cooper, Arlington, TX 76017                        | (817) 468-0898          |
| Sidsam Inc                             | 1009 N Hwy 77, Waxahachie, TX 75165                       | (972) 937-3030          |
| Simone-Jones LLC                       | 2297 Earl Rudder Fwy, College Station,<br>TX 77840        | (979) 696-5400          |
| Smoke and Fire Inc                     | 5412 Slide Rd Ste 100, Lubbock, TX<br>79414               | (806) 791-5300          |
| Smoke and Fire Inc                     | 5217 98 <sup>th</sup> St., Ste. 900, Lubbock, TX<br>79424 | (806) 698-1798          |
| SNI Food Inc                           | 9004 Garland Rd, Dallas, TX 75218                         | (214) 321-7018          |
| Snyder Dickey's BBQ LLC                | 4509 College Avenue, Snyder, TX<br>79549-6012             | (325) 436-0225          |
| Southwest Minority Financial Group Inc | DFW Airport, Terminal A, Gate 19,<br>Dallas, TX 75261     | (972) 574-3798          |
| Southwest Minority Financial Group Inc | DFW Airport, Terminal C, Gate 6, Dallas,<br>TX 75261      | (972) 574-3857          |
| Southwest Minority Financial Group Inc | DFW Airport, Terminal E, Gate 12,<br>Dallas, TX 75261     | (972) 574-3867          |
| Summit Restaurants LP                  | 1801 Ballpark Way, Arlington, TX 76006                    | (817) 261-6600          |
| Summit Restaurants LP                  | 711 Keller Pkwy, Keller, TX 76248                         | (817) 741-7676          |
| Summit Restaurants LP                  | 451 University Drive, Fort Worth, TX<br>76107             | (817) 231-8813          |
| Texas Prime Cuts, LLC                  | 4520 Sherwood Way, Ste. 109, San<br>Angelo, TX 76901      | (325) 949-4271          |
| TDG Restaurant Group LLC               | 2951 Ridge Rd Ste 119, Rockwall, TX<br>75032              | (972) 771-7205          |
| Thomason, Laura                        | 601-C St. Hwy. 75 N, Huntsville, TX<br>77320              | (936) 295-8700          |
| TLC Restaurants LLC                    | 1858 Precinct Line Rd, Hurst, TX 76054                    | (817) 656-0200          |
| VH Express Inc.                        | 1413 West Buckingham Road, Garland,<br>TX 75042           | (972) 530-3137          |
| Vahala, Mark                           | 7070 Preston Road, Frisco, TX 75034                       | (972) 377-7679          |
| Vahala, Mark                           | 6841 Warren Parkway, Suite 205, Frisco,<br>TX 75034       | (214) 705-9120          |
| W Douglass Distributing Ltd.           | 529 W. Lamar Street, Sherman, TX<br>75090                 | (903) 870-2083          |
| Wagner, Stephen                        | 6838 Westheimer, Houston, TX 77057                        | (713) 278-0435          |
| WRAB LLC                               | 260 N Kimball Ave, Southlake, TX 76092                    | (817) 442-5700          |
| Yi, Chris                              | 726 N Harwood, Dallas, TX 75201                           | (214) 740-1661          |
| Zeal Group, LLC                        | 3911 Lawrence Road, Suite 600                             | (940) 692-4227          |
|  |   |                         |

| LIST OF CURRENT OUTLETS                 |   |                         |
|---|---|-------------------------|
| Franchisee                              | Address of Outlet   | Telephone No. of Outlet |
| <b>Utah:</b>                            |   |                         |
| Finger Lickin' Brands LLC               | 1385 State Street, Orem, UT 84097-8012                    | (801) 898-7600          |
| Finger Lickin' Brands LLC               | 599 West Pacific Drive, American Fork, UT 84003-1695      | (801) 492-0400          |
| Finger Lickin' Brands LLC               | 2592 South 5600 West #103, West Valley, UT 84120          | (801) 969-6600          |
| Finger Lickin' Brands LLC               | 1846 South 335 West, Suite A, Salt Lake City, UT 84115    | (801) 467-6984          |
| Galli Adventures and Event Planning LLC | 595 South Main Street, Heber City, UT 84032               | (435) 657-2276          |
| Huang, Jason                            | 138000 S. Gangerter Hwy., Draper, UT 84020                | (801) 803-6866          |
| Huang, Jason                            | 5578 South Redwood Road, Suite D, Taylorsville, UT 84123  | (801) 803-6848          |
| Jensen, Mel and Bonnie                  | 2610 S. Pioneer Drive, St. George, UT 84790-7442          | (435) 674-1206          |
| <b>Virginia:</b>                        |   |                         |
| Henshaw, Terry                          | 9809 West Broad Street, Glen Allen, VA 23060              | (804) 527-1318          |
| Premier Group Properties LLC            | 1555 Meadowview Drive, Danville, VA 24541-7333            | (434) 685-3446          |
| TCB Foods Inc                           | 4017 Wards Road, Lynchburg, VA 24502-2943                 | (434) 237-8465          |
| <b>Washington:</b>                      |   |                         |
| C&D BBQ Foods LLC                       | 8082 Guide Meridian Road, Ste 103, Lynden, WA 98264       | (360) 656-5861          |
| Depping, Gary                           | 1118 Supermail Way Southwest, Suite 105, Auburn, WA 98001 | (253) 333-2991          |
| Freshe Fusion LLC                       | 21109 Highway 410, Suite G4A, Bonney Lake, WA 98390       | (253) 381-7747          |
| <b>Wisconsin:</b>                       |   |                         |
| Dibble, Steve                           | 4833 Annamark Drive, Suite 200, Madison, WI 53704         | (608) 249-4205          |
| Pekol, Daniel                           | 311 E. Claimont Ave., Eau Claire, WI 54701                | (715) 830-9790          |
| <b>Wyoming:</b>                         |   |                         |
| Solano, Victor and Lesley               | 76 Gateway Blvd., Rock Springs, WY 82901-5709             | (307) 382-7427          |

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

| Franchisee                        | City              | State | Current Business Telephone No. or Alternative Contact Information |
|-----------------------------------|-------------------|-------|---|
| P & R Barbecue LLC                | Phoenix           | AZ    | (623) 451-7538  |
| Abbeyhill Enterprises LLC         | Lincoln           | CA    | (916) 253-9235  |
| BBQ So Cal LLC                    | Corona            | CA    | (909) 985-9504  |
| Nguyen, Anthony & Theresa         | Dublin            | CA    | (510) 364-3652  |
| Rigney, David & Eva               | Edmonton          | KY    | (270) 406-0885  |
| Elledge, Samuel                   | West Bloomfield   | MI    | (248) 470-6258  |
| Omeara, Tim & Julie               | Apple Valley      | MN    | (952) 342-4246  |
| Miller, Jacob T.                  | Mankato           | MN    | (507) 236-5988  |
| Snover, Eric & Jon                | Minneapolis       | MN    | (952) 342-4246  |
| Sayegh, Milad                     | Bronx             | NY    | (914) 906-0437  |
| Summit Barbeque LLC               | King of Prussia   | PA    | (610) 799-0943  |
| Kelly A. Stacey and Leo R. Holway | Pennington County | SD    | (605) 391-8742  |
| Snyder Dickey's BBQ LLC           | Big Spring        | TX    | (817) 307-6722  |
| Williams, Andrew                  | Cedar Hill        | TX    | (469) 426-1345  |
| Bishop, Jacob                     | Clear Lake        | TX    | (214) 674-6658  |
| Montgomery, Kenneth               | Cleburne          | TX    | (817) 240-3355  |
| Chen, David                       | Corsicana         | TX    | (801) 362-4968  |
| Tarkham, Ahmed                    | El Paso           | TX    | (915) 383-1962  |
| Thompson Investments, LLC         | Longview          | TX    | (903) 646-7470  |
| Quiroga, Heriberto & Dolores      | McAllen           | TX    | (214) 415-6549  |
| JR BBQ, Inc.                      | Rowlett           | TX    | (208) 921-0062  |
| GEM Investment Group LLC          | Olympia           | WA    | (253) 380-6927  |

**NOTES:**

- (1) The above table lists information for each franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recent completed fiscal year, or who have not communicated with Dickey's within ten (10) weeks of the issuance date of this disclosure document.
- (2) IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

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| INFORMATION REGARDING PREVIOUSLY-OWNED FRANCHISED OUTLETS UNDER FRANCHISOR'S CONTROL |            |       |  |  |                                |  |
|--|------------|-------|--|--|--------------------------------|--|
| Franchisee   | City       | State | Current Business Tel. No. / Last Known Home Tel. No. | Time Period When Previous Franchisee Controlled Outlet | Reason For Change In Ownership | Time Period When Franchisor Retained Control of Outlet |
| DBPF, LLC  | Rockwall   | TX    | (214) 695-8757                                       | October 2007 – July 2009                               | Partnership Dispute            | July 2009 – Present                                    |
| Abundant Food Services, Inc.   | Dallas     | TX    | (972) 237-7859                                       | December 2006 – August 2009                            | Financial Hardship             | August 2009 – Present                                  |
| 313 Investments, Inc.  | Louisville | CO    | (303) 926-1484                                       | June 2006 – October 2009                               | Financial Hardship             | October 2009 - Present                                 |
| M.A. Goens, Inc.   | McKinney   | TX    | (615) 521-0841                                       | August 2003 – September 2010                           | Financial Hardship             | September 2010 - Present                               |

**NOTES:**

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

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

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

**ITEM 21  
FINANCIAL STATEMENTS**

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

1. Audited balance sheet of Dickey's as of May 31, 2012, and related statement of operations, shareholders' equity and cash flows for the year then ended.
2. Audited balance sheet of Dickey's as of May 31, 2011, and related statement of operations, shareholders' equity and cash flows for the year then ended.
3. Audited balance sheet of Dickey's as of May 31, 2010, and related statement of operations, shareholders' equity and cash flows for the year then ended.

**ITEM 22  
CONTRACTS**

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

1. Franchise Agreement (attached as Exhibit B)
2. Development Agreement (attached as Exhibit C only if you are considering more than one (1) Restaurant)

**ITEM 23  
RECEIPTS**

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

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