

(iii) Franchisor shall have not less than ninety (90) days from the option exercise date to consummate the transaction; and

(iv) All non-monetary terms of such offer may be disregarded by Franchisor in its sole discretion.

Franchisor shall have the right to investigate and analyze the business, assets and liabilities, and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of the offer. Franchisor may conduct such investigation and analysis in any manner it reasonably deems appropriate, and Franchisee and its Owners shall fully cooperate with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor shall be entitled to purchase such interest subject to all representations and warranties, closing documents and indemnities as Franchisor reasonably may require, including without limitation, representations and warranties as to ownership and condition of and title to shares of capital stock or membership partnership interests and/or assets, the validity and status of contracts and leases, and the extent of liabilities, contingent or otherwise, of the corporation or membership partnership whose shares of capital stock or partnership interests are being purchased.

If Franchisor does not exercise its option to purchase, Franchisee or its Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the transfer as provided in this Section XV; provided that, if the sale to such offeror is not completed within sixty (60) days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Franchisee shall promptly notify Franchisor thereof, and Franchisor shall have an additional option to purchase (on the terms set forth herein) during the thirty (30) day period following Franchisee's notification of the expiration of the sixty (60) day period, or a material change to the terms of the offer.

Section 15.7. Franchisee's Continuing Obligation. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement by the transferee. Franchisor's consent shall not constitute a representation by Franchisor as to the fairness of any agreement or arrangement between Franchisee and its Owners and the transferee, or as to the prospects of success by the transferee.

Section 15.8. Restriction on Sale of Franchisee Securities. Neither Franchisee nor any of its Owners shall issue or sell, or offer to issue or sell, any securities of Franchisee, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining Franchisor's prior written consent and complying with all of Franchisor's requirements and restrictions concerning the use of information about Franchisor.

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DEFAULT AND TERMINATION

Section 16.1. Termination By Franchisor. Franchisor may not terminate this Agreement prior to the expiration of its term except upon the occurrence of any event of default described herein. Upon the occurrence of any event of default, Franchisor may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Franchisee's rights hereunder effective immediately upon the date Franchisor gives written notice of termination. The occurrence of any one or more of the following events shall constitute an event of default:

- a. if Franchisee fails to pay any financial obligation pursuant to this Agreement when due, or immediately upon written notice if Franchisee is determined to have under-reported its Royalty Sales during any Accounting Period on any occasion or in any amount, whether or not Franchisee subsequently rectifies such deficiency;
- b. if Franchisee fails to commence and maintain operation of the Business as required;
- c. if Franchisee or any of Franchisee's Owners makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or the application therefor;
- d. if Franchisee or its Owners breach any covenant, obligation, terms, condition, warranty or certifications attendant hereto or fail to comply with any provisions hereof or of any agreement or obligation attendant hereto, including but not limited to the Confidentiality Agreement or Confidential Operations Manual;
- e. if Franchisee, the Operating Partner or Owner of a controlling interest in Franchisee is convicted of a felony, a crime of moral turpitude, or any other crime or offense relating to the operation of the Business, or engages in conduct which in Franchisor's reasonable judgment adversely affects the reputation of the Unit or the goodwill associated with the Licensed Marks;
- f. if Franchisee or an Owner or Operating Partner becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed thereby, or such a petition is filed against and consented to thereby, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

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g. if Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Business;

h. if Franchisee abandons or ceases to operate all or any part of the Business, or asserts an intention to do so (which abandonment or cessation shall be deemed to exist for purposes of this subparagraph if Franchisee, at any time, fails to fulfill the requirements regarding Times Open for Business, its Operating Partner, the Designated Manager, staffing or training set forth in this Agreement), or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Business or the Premises, and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party;

i. if Franchisee engages in litigation or adversary proceeding against or adverse to Franchisor, or any other franchisee, provided, however, that Franchisor may elect not to terminate this Agreement, and/or to prosecute its rights under this Agreement and any other rights available to it at law or in equity.

j. if Franchisee or any guarantor(s) hereof defaults on any other agreement with Franchisor, or any affiliate or parent of Franchisor, and such default is not cured in accordance with the terms of such other agreement;

k. if Franchisee fails or refuses to comply with any mandatory specification, standard or operating procedure prescribed by Franchisor relating to the cleanliness or sanitation or operation of the Unit, or violates any health, safety or sanitation law, ordinance or regulation, and does not correct such failure or refusal within seventy-two (72) hours after written notice thereof is delivered to Franchisee;

l. if Franchisee receives from Franchisor two (2) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period, or six (6) or more notices to cure any default or violation of this Agreement during the term hereof;

m. immediately upon written notice, if Franchisee, the Operating Partner of Franchisee, or its Designated Managers fail to complete to Franchisor's satisfaction any of the training required pursuant to this Agreement within ninety (90) days of the Effective Date hereof;

n. immediately upon written notice, if Franchisee violates any covenant of confidentiality or non-disclosure contained in this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the Steak-Out System without Franchisor's prior approval;

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o. if Franchisee fails to make a timely payment of any amount due to a supplier (other than payments which are subject to bona fide dispute); or

p. if Franchisee fails, refuses or neglects to procure insurance coverage in accordance with the terms of this Agreement, or does not provide evidence of such insurance within ten (10) days after written notice from Franchisor to do so.

Section 16.2. Termination By Franchisee. Franchisee may not terminate this Agreement prior to the expiration of its term except through legal process resulting from Franchisor's breach of this Agreement or otherwise with Franchisor's consent. In the event that Franchisee shall claim that Franchisor has failed to meet any obligation under this Agreement, Franchisee shall provide Franchisor with written notice of such claim within ninety (90) days of the occurrence of such alleged default, specifically enumerating all alleged deficiencies and providing Franchisor with an opportunity to cure, which shall in no event be less than ninety (90) days from the date of receipt of such notice by Franchisor, failure of which by Franchisee shall waive any such claim.

Section 16.3. Termination Upon Expiration Unless extended in accord herewith, the stated form of this Agreement shall automatically terminate upon expiration of its Initial or Renewal Term. Notwithstanding the foregoing, the continuing provisions hereof shall survive the termination or expiration of this Agreement.

Section 16.4. Burden of Proof. In any proceeding where Franchisee's default for failure to meet system standards is at issue, Franchisor's determination of Franchisee's noncompliance shall be presumed correct, and Franchisee shall have the burden of providing that Franchisee was in compliance. Franchisee agrees that the quality status of another unit in the system shall not be relevant to whether Franchisor may terminate or otherwise deal with Franchisee for failure to meet system standards, nor shall information about any other franchisee be discoverable by Franchisee in any litigation.

XVII

POST TERM OBLIGATIONS

Section 17.1. Post Term Obligations. Upon the termination or expiration of this Agreement, Franchisee and Owners shall immediately:

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a. cease to be a franchisee of Franchisor and cease to operate the former Business. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former Business is or was operated or in any way connected with the Steak-Out System or hold itself out as a present or former franchisee of Franchisor at the Premises;

b. pay all sums owing to Franchisor. Upon termination for any default by Franchisee, such sums shall include (i) actual and consequential damages, (ii) costs and expenses (including fifteen percent (15%) of amounts owing to Franchisor as attorneys' fees) incurred by Franchisor as a result of the default or such termination, and (iii) as stipulated liquidated damages for the marketing and associated costs of replacement and not as a penalty, the greater of (x) Ten Thousand Dollars (\$10,000.00); or (y) an amount equal to the last twenty four (24) months continuing fees due and payable under Section 7.1(b) hereof, with interest at the rates stated herein. The liquidated damages shall be deemed to compensate Franchisor for the costs of remarketing and implementation of a new franchisee license, and not for other actual and consequential damages and costs and expenses the Franchisor may incur. The amount of such liquidated damages calculated pursuant to subparagraph (iii) (y) above shall be reduced by one month for each month less than twenty four (24) months that remain on the term of this Agreement at the time of the termination.

c. return to Franchisor the Confidential Operations Manual and all trade secrets and confidential materials, equipment and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy of any of the foregoing; provided Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

d. take such action as may be required by Franchisor to transfer and assign to Franchisor all trade and similar name registrations and business licenses, and to cancel any interest which Franchisee may have in the same;

e. cease to use in advertising, or in any manner whatsoever, any methods, procedures or techniques associated with the Steak-Out System in which Franchisor has a proprietary right, title or interest; cease to use the Licensed Marks and any other marks and indicia of operation associated with the Steak-Out System and if Franchisor does not exercise its option to purchase as herein provided, remove all Trade Dress, physical characteristics, color combinations and other indications of operation under the Steak-Out System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it shall take all acts required under Section 17.6 "Termination of Use of Marks" herein.; and

f. transfer, assign and deliver to Franchisor or its designee(s) the Telephone Number(s), all yellow and white pages references and advertisements and other listings of the Telephone Number and all rights thereto, and cease the use of such numbers, as specified in the Telephone Number Assignment. Franchisee shall remain liable for all fees, charges and costs attributable to

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the Telephone Number(s) arising or contracted for prior to the date of Franchisee's cessation of their use.

Section 17.2 Franchisor's Right to Purchase. Upon such termination, abandonment or expiration, Franchisor shall have the right, but not the obligation, to assume Franchisee's Premises Lease, including those Rights granted pursuant to the Collateral Assignment of Lease. In addition, upon termination or expiration, the Franchisor shall have the right, but not the obligation, to acquire Franchisee's interest in any or all of the assets of the Unit as Franchisor in its sole discretion may determine, including all, signs, fixtures, equipment, leasehold improvements, real property, covenants and other contract rights, food products, ingredients, products, supplies, paper goods, and any items bearing Licensed Marks. The purchase price for such acquisition shall be equal to the lesser of (i) the price stated in any bona fide written offer or agreement to sell to any third party prepared within the period beginning 90 days prior to such termination, abandonment or expiration and ending 90 days after such termination, abandonment, or expiration; or (ii) the fair immediate liquidating market value thereof. Intangible assets such as goodwill shall be deemed to have no value for such purchase. Franchisor's right to purchase shall be exercised by written notice to Franchisee not later than ninety (90) days after termination or expiration of this Agreement. If Franchisee does not purchase Franchisee's interest in such assets, Franchisee must nevertheless deliver signs and signage and other items that bear the Licensed Marks to Franchisor, as provided in Section 17.2 (e) above.

a. In the event Franchisee operates a processing and distribution center in connection with the Franchise, Franchisor shall have the option to purchase the assets of such center at the same purchase as is determined above.

b. In the event that the Landlord under the Premises Lease is (or has been during the previous three years) Franchisee or any Owner or any Affiliate of any of them, then the term of the Lease shall be extended for such period not more than ten years as Franchisor shall select, and shall be leased to Franchisor at a rate equal to or not more than 2.5 % per month of Royalty Sales of the Unit for the four week Accounting Period immediately preceding the month in which termination occurs, and the Landlord shall be responsible for all repairs, maintenance, taxes and governmentally required changes related to the Premises.

c. In the event Franchisor exercises its option to purchase assets of the Franchisee, the purchase price will be reduced by:

- (i) Any amounts due from Franchisee to Franchisor;
- (ii) An amount required to perform such remodeling, repairs, replacements, and redecoration in and upon the Premises as Franchisor shall deem reasonably necessary and

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practical to bring the Premises, including equipment and fixtures, up to the then current standards of newly developed Steak-Out units; and

(iii) Any current and long-term liabilities of the Franchisee assumed by Franchisor.

d. In the event that the Franchisee has abandoned the operations of the Unit or has failed to substantially comply with the requirements regarding the Times Open for Business, the Franchisor shall succeed automatically to all of Franchisee's and/or the Owner's rights of ownership in any or all of the assets of the Unit as Franchisor in its sole discretion may desire, including all signs, fixtures, equipment, leasehold improvements, real property, covenants and other contract rights, food products, ingredients, products, supplies, paper goods, and any items bearing Licensed Marks. Franchisor shall assign a fair market value to such assets as of the date of abandonment, which shall include a reduction for the amount of any liabilities and costs of any liens encumbering such assets, and such amount shall offset amounts, if any, owed by Franchisee to Franchisor. Such succession shall be without payment to Franchisee or any Owners, but an amount equal to the fair market value, if any, of such assets, shall be subtracted from all amounts owed by Franchisee and Owners to Franchisor, provided that in no event shall a payment be due from Franchisor to Franchisee or its Owners, even if the fair market value of such assets exceeds all amounts owed by Franchisee and Owners to Franchisor. Franchisor, Franchisee and all Owners agree that the value of such items set by Franchisor shall be conclusive. Franchisee and its Owners agree to execute any documents or Bills of Sale that Franchisor may request to evidence the transfer of ownership of such assets upon abandonment.

Section 17.3. Payment. The purchase price net of reductions set forth in Section 17.2 (c) above shall be paid as follows: ten (10%) percent at the time of closing, and the balance payable in twenty (20) equal quarterly installments, of principal plus interest on the outstanding principal at the rate of interest per annum equal to the prime lending rate charged by a national bank chosen by Franchisor, determined as of the closing date with annual adjustments based on the prime rate charged on each anniversary date. The first payment, which shall include interest from the date of closing through the date of payment, shall be due and payable on the first business day of the first succeeding month following closing, and the remaining payments on the first business day of each scheduled quarter thereafter until paid in full. At its election, Franchisor may prepay obligations hereunder without penalty, in whole or in part.

Section 17.4. Real Estate. During the term hereof, and for a period of 180 days after the termination or expiration of this Agreement, or abandonment of the Unit, and in the event Franchisee, its Owners or one of their Affiliates owns the real property on which the Business or processing and distribution center is located, Franchisor shall have a first right of refusal to purchase such real property at its fair market value, when and if Owner intends to sell such real property. Franchisor may purchase such real property on the same terms as any offer to purchase such real property from any third party that is acceptable to Franchisor. Upon receipt of an offer to purchase the real estate that is acceptable to Franchisee, Franchisee shall communicate that offer to Franchisor,

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who shall have thirty (30) days to accept or reject such offer. If Franchisor accepts such offer, Franchisee shall sell the real estate to Franchisor within thirty (30) days of Franchisor's acceptance of such offer. If Franchisor rejects such offer, Franchisee shall be free to sell the real estate, provided that such sale occurs within thirty(30) days of Franchisor's rejection of the offer, and such sale is on the same terms as were presented to Franchisor.

Section 17.5. Closing. Closing on any purchase hereunder shall occur within thirty (30) days after Franchisor exercises its option to purchase the assets and/or real property or such other date as may be necessary to comply with applicable bulk sales or similar laws. Transfer pursuant to Section 17.2 (d) shall occur immediately upon Franchisor's commencement of operation of the Unit. At closing, Franchisor and Franchisee and its Owners shall execute and deliver any and all documents necessary to vest title in the purchased assets and/or real property in Franchisor, free and clear of all liens and encumbrances, except those assumed by Franchisor and/or to effectuate the lease of the Premises or processing and distribution center. Franchisor reserves the right to assign its option as set forth herein, or to designate a substitute purchaser. In such event, Franchisor agrees to guarantee the payment of any deferred portion of the purchase price as provided herein. If Franchisee and its Owners do not execute and deliver any documents necessary to effectuate the intent of this subsection, by execution of this Agreement, Franchisee and its Owners irrevocably appoint Franchisor as their lawful attorney-in-fact with full power and authority to execute and deliver in Franchisee's and its Owners' names all necessary documents. Franchisee and its Owners agree to ratify and confirm Franchisor's acts as their lawful attorney-in-fact and to indemnify and hold Franchisor harmless from all claims, liabilities, losses or damages incurred by Franchisor in connection therewith.

Section 17.6. Termination of Use of Marks. Upon termination, Franchisee shall promptly remove from the Premises, and discontinue using for any purpose, any and all signs, fixtures, furniture, decor items, advertising materials, forms, menus and other articles which display any of the Marks or any distinctive features, images or designs associated with the Marks or the Business, and at its expense make such alterations as may be necessary to distinguish the Premises clearly from its former appearance as to prevent any possibility of confusion therewith by the public, including, without limitation, repainting the exterior of the Premises to colors that are not confusingly similar to Franchisor's standardized and recognizable red and yellow exterior colors. Upon Franchisor's request, Franchisee shall deliver th facia for any sign bearing a Mark to Franchisor. If the Franchisee fails to initiate immediately or complete such alterations and/or removals within such time as Franchisor deems appropriate, Franchisee agrees that Franchisor or its designated agents may enter the Premises and adjacent areas without prior notice and forcibly, if necessary, make such alterations and/or removals, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or otherwise, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to Franchisor and consents to entry (at Franchisee's expense), of any order, on an *ex parte* basis or otherwise, by any court of competent jurisdiction authorizing Franchisor or its agents to take such action, if Franchisor seeks such an order.

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Section 17.7. Miscellaneous. (a) Franchisee (and its Owners and Guarantors) hereby grants to Franchisor the right to manage the Business for the account of Franchisee during the option period and for a period following the exercise of Franchisor's option through the date of close, and to receive a reasonable fee from Franchisee for such services.

(b) The parties acknowledge that the purchase price set forth herein is solely for the purpose of establishing Franchisor's option price and shall not be deemed conclusive of the value of the Franchise or Premises for any other purpose.

(c) In recognition of proprietary knowledge established by Franchisor, except for use in the Business, neither Franchisee, nor Owners nor any Guarantors shall purchase goods or services from any purveyor designated or approved by Franchisor during the term hereof, for a period of five years after termination or expiration of the Agreement, or the lapse of any renewal term thereof.

(d) All provisions hereof that are listed under Post-Termination Obligations or that are related to confidentiality, non-competition, or to protection of Franchisor's intellectual property rights or proprietary system shall continue in force after the expiration, lapse or termination of the stated term of this Agreement.

(e) Upon the abandonment of the Business, any attempt by Franchisee or its Owners, during the one year immediately preceding the abandonment and contemporaneous or subsequent to the abandonment of the Business, to mortgage, hypothecate, encumber, pledge, transfer, give, assign, or grant a security interest in the Business or any part thereof, to or in favor of any Owner, or Immediate Family member of any Owner, or any business partner or agent of any Owner, shall be invalid, and may be voided at the option of Franchisor.

XVIII

INSURANCE

Section 18.1. Types of Insurance. Franchisee shall, at its expense and no later than upon commencement of the Business, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Confidential Operations Manual in such amounts as may from time to time be required by Franchisor from admitted insurance carriers having an A VII or better rating with Alfred M. Best & Company, Inc., or its successor or comparable rating service, which shall designate Franchisor as an additional named insured, and which shall include at a minimum the following:

a. comprehensive blanket general public liability insurance, including products liability insurance, to be maintained against claims for personal injury, death or property damage suffered by

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others upon, in or about the Premises or occurring as a result of the maintenance or operation of any automobiles or other vehicles, owned, hired and non-owned, or as a result of the use of the products sold by it or services rendered by it or any claims arising out of the Business pursuant to this Agreement or the operation of the Steak-Out unit, in amounts of not less than Two Million Dollars (\$2,000,000), which amounts are subject to increase upon Franchisor's request or set forth in the Confidential Operations Manual;

b. fire, vandalism, theft, burglary and extended coverage insurance with limits of not less than ninety percent (90%) of the replacement value of Franchisee's leasehold improvements, furniture, fixtures, equipment and inventory; and

c. workers' compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule in the state in which the Business is located, or as specified in the Confidential Operations Manual.

Section 18.2. Delivery of Certificates of Insurance to Franchisor. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be canceled or materially altered without at least thirty (30) days' prior written notice to Franchisor.

Section 18.3. Failure to Procure Insurance. Should Franchisee, for any reason, fail to procure or maintain the insurance coverage required by this Section, then Franchisor shall have the right and authority (but not the obligation) to immediately procure such insurance coverage and to charge the costs thereof to Franchisee, which amounts shall be paid immediately upon notice to Franchisee from Franchisor.

Section 18.4. Obligations Not Limited by Franchisor's Insurance. Franchisee's obligations to procure and maintain the foregoing policies in effect shall not be limited in any way by reason of any insurance maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

Section 18.5. Franchisor's Option to Collect and Remit Premiums. At Franchisor's option, Franchisor may collect by electronic funds transfer initiated by or at the direction of the Franchisor from the accounts of the Franchisee maintained in accord with Section 7.3 hereof, or at the Franchisor's election by any other means, with such frequency as the Franchisor shall elect, such amounts as may be necessary to pay all premiums for insurance required of Franchisees in this Agreement. At Franchisor's election, such amounts collected may be held in a separate account from other Franchisor accounts, and money from such account will be remitted to such insurance companies as the Franchisor shall select. The electronic funds transfer and debit entries to such account shall be made pursuant to authorization agreements for pre-authorized payments which Franchisee agrees to execute and deliver to Franchisor in the form attached hereto as Exhibit H or such other forms as Franchisor shall specify from time to time.

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TAXES, PERMITS AND INDEBTEDNESS

Section 19.1. Taxes. Franchisee shall promptly pay when due any and all federal, state and local taxes, including, without limitation, employment, and sales taxes, levied or assessed with respect to any services or products furnished, used or licensed pursuant to this Agreement, and on all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Business.

Section 19.2. Compliance with Laws and Obtaining Permits and Licenses. Franchisee shall comply with all federal, state and local laws, rules and regulations and timely obtain any and all permits, certificates and licenses for the full and proper conduct of the Business.

Section 19.3. Indebtedness. Franchisee hereby expressly covenants and agrees to accept full responsibility for any and all debts and obligations incurred in its operation of the Business, to promptly pay and discharge those debts and obligations when due, and to indemnify and hold Franchisor harmless therefrom.

Section 19.4. Franchisor Not Liable for Taxes. Franchisor shall have no liability for any sales, use, service, occupational, excise, gross receipts, income, property or other taxes, whether levied upon the Unit, Franchisee's property, or upon Franchisor, in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor), and Franchisee shall hold Franchisor harmless therefrom. In the event of a bona fide dispute as to Franchisee's liability for taxes assessed, or any other liability, Franchisee may contest the validity of the amount of tax or indebtedness in accordance with the procedures of the taxing authority or applicable law.

XX

INDEMNIFICATION AND INDEPENDENT CONTRACTOR

Section 20.1. Indemnification. Franchisee and Owners shall protect, defend, indemnify, and hold Franchisor, and its respective directors, officers, employees, agents, attorneys and shareholders, jointly and severally, harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including

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without limitation attorneys' and accountants' fees and costs and other expenses incurred by or on behalf of Franchisor in the investigations of or defenses against any and all such claims) as a result of, arising out of, or connected with the operation of the Business.

Section 20.2. Independent Contractor Status. Franchisee is an independent contractor, and not an agent, employee or representative of Franchisor. Franchisee and Owners shall have no right to bind Franchisor to any obligations or make any representation on its behalf. Franchisee agrees that Franchisor has no fiduciary obligation to Franchisee. Franchisee further agrees to exhibit in a conspicuous place on the Premises and on delivery vehicles, and such other locations which Franchisor reserves the right to specify, that the Steak-Out franchise is independently operated under a license from Franchisor.

XXI

ENFORCEMENT

Section 21.1. Inspections. Franchisee hereby grants to Franchisor and its agents the right to enter upon the Premises, and to otherwise have full and complete access to the Business, without notice, at any reasonable time, for the purpose of inspecting the Premises, the equipment therein and Franchisee's books, records, master ticket sheets, register tapes, computer printouts and computer files. Franchisee shall render such assistance as may reasonably be requested and take such steps as may be necessary immediately to correct any deficiencies detected during such an inspection upon the request of Franchisor or its agents.

Section 21.2. Governing Law and Dispute Resolution. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 et. seq.), subject to the further provisions of this Section XXI, this Agreement and the contractual relationship between the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Georgia without regard to conflict of laws.

Franchisee and Owners consent to exclusive jurisdiction and venue at Franchisor's sole discretion in the Georgia Courts of Fulton, Gwinnett or DeKalb County, Georgia and in the United States District Court for the Northern District of Georgia, or similar courts in the then principal place of executive offices of Franchisor. At Franchisor's election, any dispute arising from this Agreement may be submitted to binding arbitration before a panel of members experienced in the specific law and substance to which the dispute relates of the American Arbitration Association (or other arbitration organization or body chosen by Franchisor), in Atlanta, Georgia applying all applicable laws and procedures applied to courts in the State of Georgia, except as may be modified herein, in

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lieu of seeking redress in any court, with any such arbitration decision being enforceable in any court having jurisdiction over the person or property of the Franchisee or the Owners.

Franchisee and its Owners agree that Franchisor may serve process on Franchisee and Owners by delivering a copy of any Summons and Complaint upon Franchisee and Owners by any means permitted under the laws of the State of Georgia or under the laws, or the federal courts, or of the state of residence of such Franchisee and/or Owners.

No claim shall be brought, and no litigation shall be commenced, by or on behalf of Franchisee or Owners any later than one year following occurrence of the first fact or event upon which such claim or litigation, or part thereof, is based and such no claim or litigation shall be brought earlier than forty-five (45) days following the ninety (90) day cure period allowed after notice provided to Franchisor hereinabove for Franchisee claims. The running of any period of time specified in any Section or agreement as to suits or claims brought by Franchisor shall be tolled and suspended for any period of time in which the Franchisee is found by a court of competent jurisdiction or arbitration panel to have been in violation of this agreement or any restrictive covenant and any time during which any litigation or arbitration has been in existence with respect thereto.

Franchisee agrees that the Franchisor's books and records showing the transactions pursuant to this Agreement shall be admissible in any action or proceeding arising therefrom, and shall constitute, at Franchisor's option, prima facie proof thereof.

Section 21.3. Severability. Should any provision of this Agreement be for any reason held invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid; and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section shall operate on such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to effectuate fully the provisions hereof. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it will comply forthwith with any covenant so modified, which shall be fully enforceable. In addition to the foregoing, Franchisor shall have the right (but not the obligation) to terminate this Agreement in the event that any provision hereof is determined by it to be invalid or unenforceable.

Section 21.4. Failure to Pay. If Franchisee fails to pay any Royalty, Fee or reimbursement when due pursuant to this Agreement, at Franchisor's election, it is agreed that a receiver shall be appointed

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INITIALS

to take charge of the Business, until all financial obligations owed by Franchisee to Franchisor pursuant to this Agreement have been satisfied in full.

Section 21.5. Injunctive Relief. Franchisor or its designee shall be entitled to obtain, without bond, declarations, temporary and permanent injunctions, and orders of specific performance, in order to enforce the provisions of this Agreement, including without limitation, those relating to Franchisee's or its Owners' use of the Licensed Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the Franchise and ownership interests in Franchisee or to prohibit any act or omission by Franchisee or its employees or Owners that constitutes a violation of any applicable law or regulation, is dishonest or misleading to prospective or current customers of businesses operated under the Steak-Out System, constitutes a danger to other franchisees, employees, customers or the public, or may impair the goodwill associated with the Licensed Marks.

Section 21.6. Waiver of Punitive Damages. Except with respect to the unauthorized use of the Licensed Marks, or untruthfulness of representations made by Franchisee or Owners, or breach of confidentiality or non-competition provisions hereof, or fraud by Franchisee or the Owners, or disparagement by Franchisee or Owners, Franchisor, Franchisee and Owners hereby waive to the fullest extent permitted by law, any right or claim for any punitive, exemplary, consequential or speculative damages against the others and agree that in the event of a dispute between them, except as otherwise provided herein, each shall be limited to the recovery of actual damages sustained by it.

Section 21.7. Waiver of Class Action Proceedings. Franchisee and Owners agree that for the Steak-Out System to function properly, Franchisor must not be burdened with the costs of litigation of system-wide disputes. Accordingly, any disagreement between Franchisor and Franchisee and Owners shall be considered unique as to its facts and shall not be brought as a class action, and Franchisee and Owners waive any right to proceed against Franchisor by way of class action. In any legal action between the Franchisor and the Franchisee and Owners, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving Franchisor and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

Section 21.8. Costs. If Franchisor secures any declaration, injunction or order of specific performance pursuant hereto, if any provision of this Agreement is enforced at any time by Franchisor or if any amounts due from Franchisee to Franchisor are, at any time, collected by or through an attorney at law or collection agency, Franchisee shall be liable to Franchisor for all costs and expenses of enforcement and collection including, but not limited to, court costs and fifteen percent (15%) of amounts due to Franchisor as attorneys' fees.

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INITIALS

Section 21.9 Compliance with Standards. Any failure by Franchisee to (1) carry, offer, promote and sell each product and service authorized by Franchisor, or (2) refrain from carrying, offering, promoting or selling any product or service not approved by Franchisor, or (3) maintain any minimum standard of operations set by Franchisor from time to time, or (4) abide by the provisions of any part of Section 13 hereof, shall require Franchisee to pay to Franchisor (a) the cost of investigating such failure and of surveying its correction and (b) the sum of one hundred dollars (\$100) for each day during which such failure occurs or such lesser amount as is determined by Franchisor from time to time. Any waiver of such non-compliance, and the scope and duration thereof, shall be determined by the Franchisor in each individual case in its sole discretion.

Section 21.10 Security Interest and Notification Franchisee's obligations hereunder, including those relating to the payment of fees, shall be secured by a lien in favor of Franchisor on each and all of the assets of the Business and the Unit, which lien shall operate in accord with the Uniform Commercial Code and Real Estate and other lien laws of the state in which the Unit is located. Franchisor is authorized at the time(s) of its choosing to execute and publicly file, for itself and for the Franchisee, Forms UCC-1 or other applicable documents noticing and perfecting such security interest.

XXII

MISCELLANEOUS PROVISIONS

Section 22.1. Approvals, Waivers, and Amendment.

a. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interest of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other conditions that Franchisor deems to be of importance to the successful operation of such franchisee's business. Franchisee shall have no recourse against Franchisor on account of any variation from standard specifications and practices granted to any franchisee and shall not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

b. Whenever this Agreement requires Franchisor's prior approval, Franchisee shall make a timely written request. Except where this Agreement expressly obligates Franchisor to reasonably approve or consent (or not to unreasonably withhold its approval or consent) to any action or request by Franchisee, Franchisor has the absolute right for any reason to refuse any request by Franchisee or to withhold its approval of or consent to any action by Franchisee.

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INITIALS

c. No warranty or representation is made by Franchisor that all Steak-Out System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement.

d. Franchisor may waive any provision hereof, or conditions herein specified, in its sole discretion, but shall in no circumstance be required to do so. No waiver or modification shall be effective except in writing specifically stating that it constitutes such a waiver or modification, and no prior waiver, modification, or course of conduct shall constitute a future waiver or modification or require Franchisor to undertake such a waiver or modification or to grant similar waivers or modifications to any other franchisee. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties in accordance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. A waiver or approval by Franchisor of any particular default by Franchisee or acceptance by Franchisor of any payments due hereunder shall not be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant or condition of this Agreement.

e. No amendment, change or variance from this Agreement shall be binding upon either Franchisor or Franchisee except by written agreement of Franchisor and Franchisee, except as to those provisions under which Franchisor has any independent right of variance, modification or waiver. If an amendment to this Agreement is executed at Franchisee's request, any legal fees or costs of preparation in connection therewith shall, at the option of Franchisor, be paid by Franchisee.

f. Franchisor is willing to enter into this Agreement only on the assumption that Franchisee and Owners do not assert and will not assert in the future any claim, right or action based on any prior agreement, understanding or duty of Franchisor. Accordingly, Franchisee and Owners acknowledge that Franchisor and others listed below have complied with all legal obligations they may have, if any, to Franchisee and Owners and any others known to them, up to the date of execution hereof relating to any prior agreement, understanding or duty and acknowledge that they have no legal claims. By execution hereof Franchisee and Owners and all other parties other than Franchisor hereby waive, release and forgive any and all claims, charges, or allegations, known and unknown, that they have or may have had, present or past, directly or indirectly, whether or not related to this Agreement, for breach of contract, breach of duty, tort of any kind, or breach of any law, rule or regulation, or any other wrong, against Franchisor or any of its affiliates or subsidiaries or their officers, directors, employees, attorneys or agents, arising or based in any part on facts occurring at or prior to the date of that execution, and covenant not to sue, or assist any other person in suing, on account thereof.

Section 22.2. Integration. The application of Franchisee, preambles, acknowledgments, personal guarantees and exhibits to this Agreement (and executed forms thereof) are part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written

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INITIALS

agreements, understandings, representations or statements between Franchisor and Franchisee relating to the subject matter of this Agreement.

Section 22.3. Individuality. This Agreement applies only between the parties hereto. No rights are conveyed on any third party, including any other contractor with or franchisee of the Franchisor, nor may any person be deemed to be a third party beneficiary hereof, nor does the Franchisee, nor Owner, nor any contractor thereof, have any rights with respect to agreements or arrangements with any other franchisee or contractor, nor does Franchisee or Owner have any rights with respect to the Franchisor except as specifically granted herein. This Agreement may be enforced, and its provisions waived or modified, without regard to the degree to which agreements with any other contractor or franchisee is enforced, waived or modified.

Section 22.4. Franchisee's Self-Reliance. Franchisee understands and acknowledges that the Business licensed under this Agreement involves business risks and that Franchisee's volume, profit, income and success, are primarily dependent upon Franchisee's ability and efforts as an independent business operator. Franchisee acknowledges that Franchisor's approval of any location for a Unit or any Premises Lease does not assure profitability for such location, and Franchisor's approval in no way constitutes a representation, warranty or guaranty as to the potential volume, profits or success of the Unit.

Section 22.5. No Warranty Or Guaranty. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received from any party, any warranty or guaranty, express or implied, as to the potential volume, profit, income or success of the Business. Any statement regarding the potential or probable revenues or profits of the Business or statistical information regarding any existing company-owned or franchised Steak-Out unit that is not contained in the Offering Circular is unauthorized, unwarranted and unreliable and should be reported in writing to the Franchisor immediately; otherwise, there is a conclusive presumption that no such statements have been made to Franchisee. Franchisee further acknowledges that it has not received or relied on any representations about Franchisor or its franchising program or policies made by Franchisor or its officers, directors, employees, attorneys or agents that are contrary to the statements made in the Offering Circular or to the terms herein. If there are any exceptions to any of Franchisee's acknowledgments in this Section, Franchisee shall note such exceptions by attaching a statement of exceptions to this Agreement prior to its execution, which statements shall become a part of this Agreement.

Section 22.6. Offering Circular FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISEE WITH AN OFFERING CIRCULAR NOT LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISE, TEN (10) BUSINESS DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR TEN (10) BUSINESS DAYS BEFORE ANY PAYMENT TO FRANCHISOR OF ANY CONSIDERATION. FRANCHISEE FURTHER ACKNOWLEDGES THAT

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INITIALS

FRANCHISEE HAS READ SUCH OFFERING CIRCULAR AND UNDERSTANDS ITS CONTENTS.

Section 22.7. Prior Receipt of Agreement. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, FOR AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THE EFFECTIVENESS OF FRANCHISEE'S EXECUTION HEREOF.

Section 22.8. Consultation. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to this Agreement or the relationship thereby created.

Section 22.9. Headings. The headings of the sections and subsections hereof are for convenience only and do not limit or construe the contents of such sections or subsections.

Section 22.10. Time of Essence. Time is of the essence in this Agreement.

Section 22.11. Notices. Notices required of the Franchisee or Owner by this Agreement shall be given in writing, transmitted by certified mail, return receipt requested, to the Franchisor at the address set forth in Exhibit A, or such other address as it shall designate from time to time, and shall be deemed given on the fifth day following deposit in the United States mail, postage prepaid. Notices required of the Franchisor hereunder shall be given in writing, addressed to Franchisee or Owner at the addresses set forth in Exhibit A, or such others as they have notified the Franchisor of as aforesaid, or by electronic means, and shall be given in such manner as Franchisor shall decide.

Section 22.12. Counterparts. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

Section 22.13. Acceptance. This Agreement is not binding on the Franchisor except after its formal acceptance, and notice thereof, in accordance with Franchisor's procedures, after full execution hereof by Franchisee and Owners.

Section 22.14. Franchisor Liability Limited. Franchisee agrees that there shall be no liability on the part of Franchisor to Franchisee or any other person by reason of any approval given or withheld by Franchisor to Franchisee or by reason of Franchisee's complying with the requirements of Franchisor or the provisions of this Agreement. Franchisor shall not be liable to Franchisee if Franchisee adopts any suggestions or requirements of Franchisor, or if Franchisor delays or fails to furnish any approval, or if Franchisor provides to mortgagee(s) or lender(s) (actual or prospective) at its or Franchisee's request, information regarding the status of the Agreement and/or Franchisee's obligations hereunder. Franchisor is not obliged for any reason to do any act or to furnish anything to Franchisee except as expressly set forth in this Agreement, and Franchisee acknowledges that Franchisor is not required to provide services that produce any particular level of results.

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INITIALS

Franchisee acknowledges and agrees that Franchisor has business interests which are not the subject of, nor restricted by, this Agreement, and that, except as expressly provided in this Agreement, Franchisor may pursue those interests for its own purposes without obligation to, and irrespective of the impact of its actions upon, Franchisee or its business. Those interests of Franchisor include, without limitation, all aspects of Franchisor's dealings with other franchisees of this system; Franchisor's ownership or disposition of its own system units; and Franchisor's ownership, operation, and development of any business, whether the other business is competitive or non-competitive with the Business, which operates under marks other than the Marks, without regard to the impact that the other business may have on the Franchisee or its business.

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INITIALS

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on this ____ day of _____, 200__.

FRANCHISOR:

FRANCHISEE:

STEAK-OUT FRANCHISING, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Witness: _____

Witness: _____

(Corporate Seal)

(Corporate Seal)

Owners:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

NOTARY PUBLIC

I, a notary in the State of _____, County of _____ do hereby certify that the foregoing Agreement was acknowledged before me this ____ day of _____, _____, by _____, who is personally known to me or who has produce identification demonstrating his/her identity.

Signature of Person Taking Acknowledgment

My Commission Expires: _____

EXHIBIT A
Addresses and Designations

The principal place of business of Steak-Out Franchising, Inc., for purposes of and at the date of this Agreement, is 6801 Governors Lake Parkway, Suite 100, Norcross, Georgia 30071.

The principal place of business, telephone number and tax identification number of the Franchisee is:

The identity, principal place of business, residence address, business and residential telephone numbers and social security numbers of each Owner of Franchisee are:

Name: _____

SS # _____

Home phone: _____

Bus phone: _____

Name: _____

SS # _____

Home phone: _____

Bus phone: _____

Name: _____

SS # _____

Home phone: _____

Bus phone: _____

Name: _____

SS # _____

Home phone: _____

Bus phone: _____

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INITIALS

The Operating Partner of the Franchisee, and his residence address, telephone number and social security number are:

Name	Address and Phone Number	Social Security No.
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____

The Managers of the Franchisee are:

Name	Address	Social Security No.
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____

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INITIALS

EXHIBIT B
Unit and Delivery Area Identification

The location of the Unit specified in this Agreement is

Unit: _____

Street: _____

City: _____

State/Zip Code: _____

The Delivery Area of the Unit permitted by this Agreement, located in the city of _____, county of _____, and State of _____, is described as follows:

Franchisor reserves the right to prescribe from time to time the boundaries beyond which Franchisee may not offer delivery service. Franchisee acknowledges that in revising such boundaries, Franchisor may, in its sole discretion, make adjustments to the size of the delivery and service area to account for, among other things, changing market conditions, population changes and other relevant considerations. The minimum approximate customer base is 20,000 persons.

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INITIALS

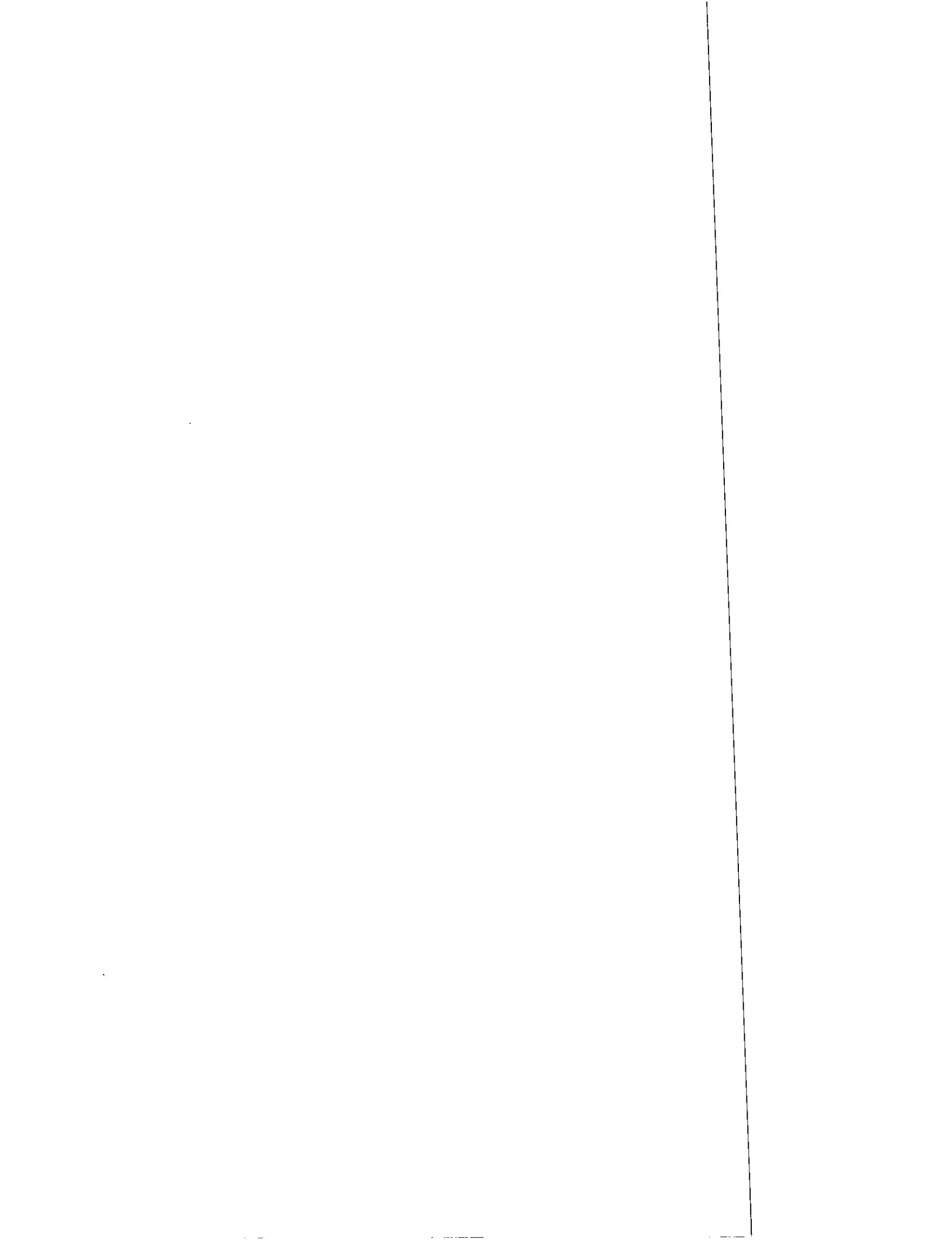
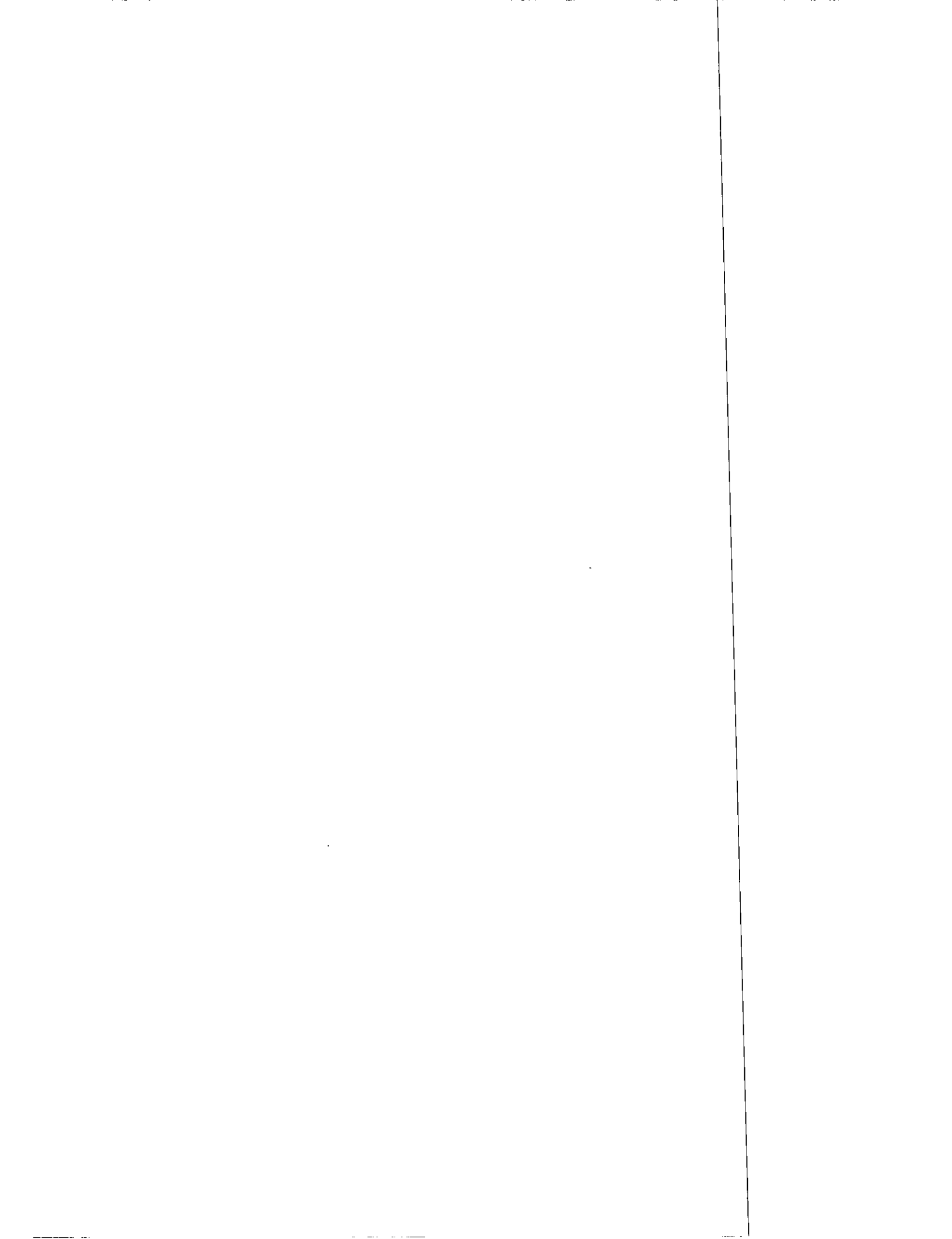


EXHIBIT C
Form of Guaranty Agreement.

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INITIALS



GUARANTY OF FRANCHISEE'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement (the "Agreement") dated the ___ day of _____, _____, by Steak-Out Franchising, Inc., each of the undersigned hereby guarantees jointly and severally unto Steak-Out Franchising, Inc., that _____ ("Franchisee") will perform during the terms of the Agreement each and every covenant, payment, agreement, and undertaking on the part of Franchisee and Owners contained and set forth in such Agreement. The undersigned agrees that all provisions of the Franchise Agreement relating to the obligations of Franchisee and Owners, including, without limitation, the covenants of confidentiality and non-competition and other covenants set forth in the Agreement, shall be binding on the undersigned.

Steak-Out Franchising, Inc., its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, and (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend, or exchange any of the liabilities; or, give any other form of indulgence whether under the Agreement or not.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment, and all other notices whatsoever, including, without limitation: notice of the acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Steak-Out Franchising, Inc. resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Steak-Out Franchising, Inc. in attempting to enforce the foregoing Agreement and this Guaranty against Franchisee and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time, or other indulgence granted from time to time by Steak-Out Franchising, Inc., its agents, successors or assigns, with respect to the foregoing Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

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INITIALS

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date of the foregoing Unit Franchise Agreement.

Witness

Guarantor (Seal)

Witness

Guarantor (Seal)

Witness

Guarantor (Seal)

Witness

Guarantor (Seal)

Witness

Guarantor (Seal)

NOTARY PUBLIC

I, a notary in the State of _____, County of _____ do hereby certify that the foregoing Guaranty Agreement was acknowledged before me this _____ day of _____, _____, by _____, who is personally known to me or who has produce identification demonstrating his/her identity.

Signature of Person Taking Acknowledgment

My Commission Expires: _____

EXHIBIT D
Current Fees and Costs

Initial Franchise Fee:	\$ 25,000, payable upon execution of this Agreement
Secret Shopper Fee:	\$50 per visit by a secret shopper to your Unit
Current End of Term Renewal Fee:	50% of the franchise fee current at the time of renewal
Current Relocation Fee:	30% of the franchise fee current at the time of relocation
Current Transfer Fee:	75% of the franchise fee current at the time of transfer if to a new franchisee; 50% of the franchise fee current at the time of transfer if to an existing franchisee; 20% of the franchise fee current at the time of transfer if less than a substantial or a controlling interest, determined in the discretion of Franchisor, is transferred.
Royalty:	Five percent (5%) of Royalty Sales.
Promotion and Development Fee:	Currently two percent (2%) of Royalty Sales. Such fee may be revised upward or downward from time to time by Franchisor in its sole discretion, but not above the limits set forth in the Unit Franchise Agreement.
Current Communication and Information Systems Fee:	None

Fees and expenses may be collected by electronic or other draft from the accounts maintained in accord with Section 7.3 of the Unit Franchise Agreement or at Franchisor's direction shall be separately paid by Franchisee by other means, with such reports thereof as Franchisor shall determine.

EXHIBIT E
Licensed Marks

Franchisor is the sole and exclusive licensor of the following service marks and trademarks:

STEAK-OUT, Reg. No. 854,875 dated August 13, 1968.

THE STEAK-OUT, Reg. No. 999,144 dated November 26, 1994.

STEAKOUT TIPPY, Reg. No. 1,998,903, dated September 10, 1996.

THE STEAKHOUSE THAT DELIVERS, Reg. No. 2,021,851, dated December 10, 1996

STEAK-OUT LIMITED – CHARBROILED TAKE OUT, Reg. No. 2,497,524 dated
October 16, 2001

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**EXHIBIT F
FRANCHISEE ORGANIZATION**

The Franchisee is a [] corporation, [] limited partnership, [] limited liability company, formed under the laws of the State of _____ on _____.

Copies of the following documents have been delivered to the Franchisor:

The Owners of the Franchisee, and the character and percentages of their Ownership are:

Name	% and Character Ownership
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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INITIALS

The directors of the Franchisee are:

Name	Address (If not already provided)	Social Security No. (If not already provided)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The officers of the Franchisee are:

Title	Name and Address (If not already provided)	Social Security No. (If not already provided)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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INITIALS

The Attorney, Accountant and Banker for the Franchisee are:

Title	Name and Address
<u>Attorney</u>	_____ _____ _____
<u>Accountant</u>	_____ _____ _____
<u>Banker</u>	_____ _____ _____

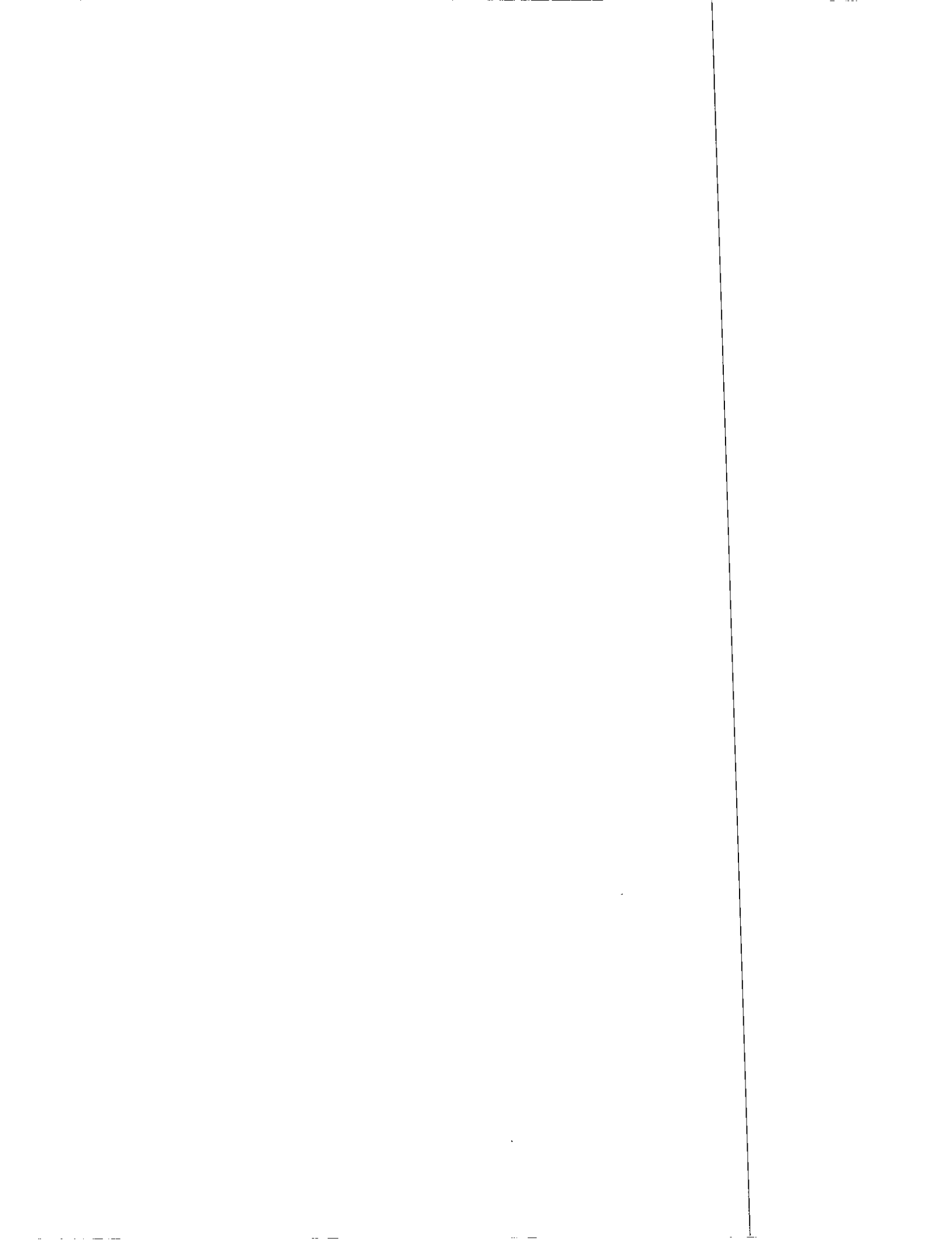
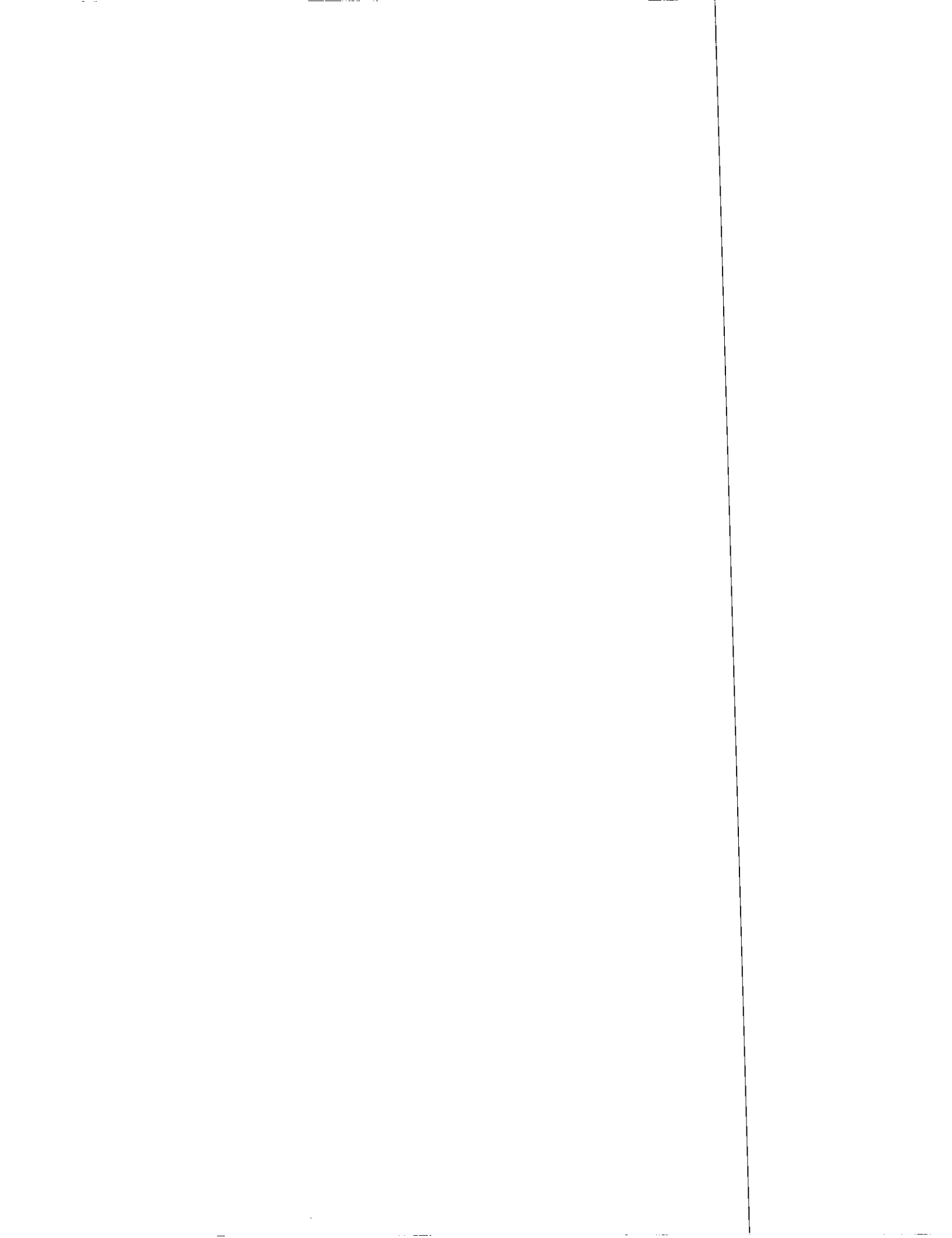


EXHIBIT G
Form of Information Systems Agreement

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INITIALS



**STEAK-OUT FRANCHISING, INC.
INFORMATION SYSTEMS AGREEMENT**

THIS AGREEMENT is made as of the ___ day of _____, _____ (the "Effective Date"), by and between STEAK-OUT FRANCHISING, INC. (hereinafter referred to as the "Company") and _____ ("FRANCHISEE") and the Owners of Franchisee, all of whom are signatories hereto.

RECITALS

WHEREAS, Company and Franchisee have entered into a Franchise Agreement(s) granting Franchisee the right to operate one or more STEAK-OUT Units (the "Units") located as set forth in the Franchise Agreement by and between the Company and Franchisee (the "Franchise Agreement");

WHEREAS, Franchisee is required to operate each Unit in compliance with the specifications and standards the Company prescribes from time to time, including, without limitation, specifications and standards for computer hardware and software and communications and marketing systems; and

WHEREAS, the Franchisee and the Company wish to participate in the installation and use of a computerized order taking, record keeping, reporting and marketing system developed by the Company ("the Steak-Out Information System" or "SOI System"), a part of which is the "SOI Unit System" defined in Section 1 hereof.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties have agreed as follows:

1. GRANT AND LICENSE OF SOI UNIT SYSTEM.

The Company hereby grants and licenses to Franchisee, on terms herein, the non-transferable right to acquire and use the SOI Unit System, and Franchisee hereby agrees to use the SOI Unit System as set forth herein and as set forth in the Company's Confidential Operations Manual . The SOI Unit System consists of (A) the Unit Hardware and (B) the Unit Software. In addition, the Company may require the use of "Specified Software" from time to time.

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INITIALS

1.A. **Unit Hardware.** The Unit Hardware shall be that computer and related equipment to be installed in each of Franchisee's Units in accord with the Company's specifications from time to time. It shall include those brands, types, makes and/or models of communications and computer systems or hardware specified or required by the Company including, but not limited, to back office and point of sale systems, data, audio, video, and voice storage, retrieval and transmission systems, security systems, printers and archival and backup systems for use at a Unit, between or among Units, and between and among Units and the Company and/or Franchisee.

1.B. **Unit Software.** The Unit Software shall be the computer software programs developed by or for Company and/or designated by Company from time to time as required in connection with utilization of the SOI System, which may include, without limitation, the Company's required point-of-sale, bookkeeping, inventory, training, marketing, employee selection, operations, financial information, collection and retrieval systems (including the Company's required general ledger system utilizing the standard chart of accounts prescribed by the Company from time to time) for use in connection with the operation of Units or Franchisees' and developers' businesses, including any updates, supplements, modifications or enhancements thereto made from time to time, all related documentation, the tangible media upon which such programs are recorded, and the database file structure thereof, but excluding any data or databases owned or compiled by the Company or its Affiliates for use with the SOI System or otherwise or any data generated by the use of the SOI System .

1.C. **Specified Software.** Such software (other than the Unit Software), programming, and services as the Company from time to time specifies or requires for use by franchisees in connection with utilization of the SOI Unit System.

2. **DEFINITIONS.**

For purposes of this Agreement, the terms listed below have the meanings that follow them.

"**Affiliate**" - Any person or legal entity that directly or indirectly owns or controls the Company, that is directly or indirectly owned or controlled by Company, or that is under common control with Company. For purposes of this definition, "control" means the power to direct, cause the direction of or substantially influence the management and policies of an entity.

"**Component Licenses**" or "**Third Party Licenses**" - Defined in Section 5.B.

"**Copyrighted Works**" - Defined in Section 6.A.

"**Installation and Testing Fee**" - That fee chargeable in accord with Section 4.A.1

"**SOI System**" - Defined in Section 1.

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"SOI Unit Hardware" - Defined in Section 1.A.

"SOI Unit Software" - Defined in Section 1.B.

"SOI Unit System" - Defined in Section 1.

"SOI Unit System Installation Specifications" - That document(s) accompanying this Agreement, and incorporated herein by reference, executed by the parties hereto, that specifies the configuration of the SOI Unit System to be installed in the Franchisee's Unit(s), and the cost thereof.

"Specified Software" - Defined in Section 1.C.

3. **SOI UNIT SYSTEM AND SPECIFIED SOFTWARE.**

3.A. **ACQUISITION OF SOI UNIT SYSTEM AND SPECIFIED SOFTWARE.**

Franchisee shall (i) acquire the Unit Hardware and acquire the right to use the Unit Software for the remainder of the term of the Franchise Agreement applicable to the Unit in which it is installed and in the manner specified by the Company; (ii) obtain any and all peripheral equipment and accessories and arrange for any and all support services that may be necessary to enable the SOI Unit System and the Specified Software to operate as specified by the Company; (iii) take all other actions (including but not limited to installation of electrical wiring and cabling, and temperature and humidity controls) that may be necessary to prepare the Unit to enable the SOI Unit System to operate as specified by the Company; (iv) commence using the SOI Unit System, and the Specified Software in the operation of the Unit in the manner specified by the Company and (v) undertake maintenance and support systems and agreements with respect to the Unit Software and the Unit Hardware as specified by the Company. Franchisee shall be responsible for all costs associated with the foregoing, including but not limited to transportation, installation, sales, use, excise and similar taxes, and site preparation, and the Company shall have no liability to Franchisee or to any other party in connection with any of the foregoing.

3.B. **COVENANT TO USE ONLY UNIT HARDWARE, UNIT SOFTWARE AND SPECIFIED SOFTWARE .**

Franchisee acknowledges that operating non-specified software or hardware with the SOI Unit System may cause errors or other interruptions to or problems with the SOI System. Therefore, Franchisee agrees to operate only the Unit Hardware and the Unit Software and any other Specified Software with the SOI Unit System.

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4. **GENERAL CONDITIONS.**

4.A. **TERMS OF USE.**

The grant and license herein made by the Company to Franchisee is a nonexclusive, nontransferable, nonassignable license to use the Unit Software, subject to the following terms and conditions:

- (1) Unit Software shall be installed and tested on the Unit Hardware by the Company or its designee. If (as and when authorized by the Company) Franchisee purchases the Unit Hardware from other than the Company, Franchisee must pay Company a reasonable Installation and Testing Fee upon completion of the Company's installation and testing of the operation of the Unit Software with the Unit Hardware. Franchisee acknowledges and agrees a reasonable installation and testing fee shall be assessed by the Company, which fee may change from time to time at the Company's discretion.
- (2) Except with the prior written consent of the Company, the SOI Unit System shall not be operated by persons other than the Franchisee and employees of Franchisee, shall not be operated on equipment other than the Unit Hardware, shall not be used in conjunction with any other computer applications program, and shall not be operated at locations other than the Unit and the Franchisee's principal office; provided however, that with prior notice to the Company, Franchisee may operate the Unit Software on equipment other than the Unit Hardware and at a location other than the Unit and the Franchisee's principal office to the extent required due to malfunction of the Unit Hardware or other cause beyond the reasonable control of Franchisee, but not for any period longer than seven (7) consecutive days unless otherwise agreed in writing by the Company.
- (3) The Unit Hardware shall comply with specifications selected by the Company from time to time. No computer hardware other than that specified by the Company shall be added to the Unit Hardware. The Unit Hardware shall belong to (or be leased by a third party chosen by Franchisee and approved by the Company) and be fully maintained by Franchisee according to the Company's specifications. The Unit Software shall be owned by the Company (or in part licensed by it from third parties with rights to sublicense to Franchisee) and shall be used by Franchisee only for purposes permitted by, and under terms specified by, the Company. Franchisee shall make no copies of the Unit Software and shall not disseminate any part thereof to any other party.

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- (4) The SOI Unit System shall be used in Franchisee's operation of the Unit and shall not be used for any other purpose.
- (5) Without limiting the foregoing, Franchisee shall not, and shall not allow its employees or agents to: (a) sell, assign, lease, sublicense, pledge, grant a security interest with respect to, market or commercially exploit, in any way, the SOI Unit System or any component thereof, or any data generated by the use of the SOI Unit System or any component thereof unless specifically consented to by the Company in writing; (b) disclose or grant access to the SOI Unit System, or any data generated by the use of the SOI Unit System or any component thereof, to any third party other than one to whom the Company has consented in writing and who has agreed in writing with the Company to keep the SOI Unit System confidential; (c) copy or reproduce the Unit Software, or any data generated by the use of the Unit Software or any component thereof, in any manner, except to the extent necessary for normal back-up and operating thereof; or (d) alter, modify or adapt the SOI Unit System, any documentation relating thereto or any component thereof including, but not limited to, translating, decompiling, reverse engineering or disassembling the Unit Software, without the prior written consent of the Company.
- (6) Franchisee acknowledges and agrees that the SOI Unit System and any data generated by the use of the SOI Unit Software is the valuable, proprietary property and trade secret of the Company and/or its Affiliates, and Franchisee agrees to use the utmost care to safeguard the Unit Software and any data generated by the use of the Unit Software and to maintain the copyright protection and the secrecy and confidentiality thereof. Franchisee shall not undertake to patent, copyright or otherwise assert proprietary rights to the SOI Unit System and any data generated by the SOI Unit System or any portion thereof. Franchisee recognizes that all or part of the SOI Unit System and any data generated by the use thereof may be copyrighted and agrees that this shall not be construed as causing the copyrighted material to be public information. Franchisee will ensure that all copies of the Unit Software and any data generated by the use thereof or any components of the Unit Software in its possession contain an appropriate copyright notice under the Universal Copyright Convention or other notice of proprietary rights specified by the Company.
- (7) Franchisee shall promptly disclose to the Company all ideas and suggestions for modifications or enhancements of the Unit Software conceived or developed by or for Franchisee, and the Company and its Affiliates shall have the right to use and license such ideas and suggestions. All modifications and enhancements made to the Unit Software together with the copyright therein shall be the property of the Company, without regard to the source of the modification or enhancement, and Franchisee hereby assigns all of its right, title and interest in any ideas, modifications, and enhancements to the Company. Franchisee agrees to execute any document, in

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recordable form, which the Company determines is necessary to reflect such ownership.

- (8) Franchisee shall make full utilization of the SOI System as the sole mechanism for its operations and reporting, shall maintain all of its records upon it except as otherwise provided by the Company, and shall promptly notify the Company of any default or suggested modification. Franchisee shall maintain one or more readily accessible telephone lines to the SOI Unit System for customer access sufficient to fully handle Franchisee's customer demand in a business like manner.
- (9) Franchisee shall assure the SOI Unit System is turned on and in operation for a continuous twenty-four hours a day, seven days a week on a yearly basis and that it is connected to one or more secure data quality telephone lines (connected only to the SOI Unit System and the SOI System), with the Unit telephone numbers of each kept confidential and known only to the Company and an employee of Franchisee selected by Franchisee and approved the Company, in order that the Company shall have continual electronic access to the Unit System for purposes of maintenance, modification and collection of data. The Company may electronically interrogate the SOI Unit System for purposes of collecting and analyzing data contained therein and for purposes of System maintenance and modification, and shall furnish Franchisee with such additional analyses and reports as Franchisee reasonably requests from time to time or as the Company believes to be useful to its franchisees. The Company may also authorize consultants and technicians selected by it to interrogate the SOI Unit System for purposes of analysis, maintenance and modification. The Company shall have the right at all times to access the SOI Unit System and to retrieve, analyze and use all data thereon.
- (10) The Company shall make available to Franchisee all upgrades, modifications, improvements, enhancements, extensions and other changes to the SOI Unit System approved by the Company for use in connection with the operation of Units, and Franchisee shall promptly implement their use as directed by the Company.
- (11) Upon expiration or termination of this Agreement, Franchisee shall allow the Company's employees or agents to remove the Unit Software from the Unit Hardware, shall immediately return such software, each component thereof, and any data generated by the use thereof to the Company, and shall immediately destroy any and all back-up or other copies of the Unit Software or parts thereof, documentation for the SOI Unit System and any data generated by the use of the SOI Unit System, and other materials or information which relate to or reveal the SOI Unit System and its operation and any data generated by the use thereof, provided, however, Franchisee may retain that portion of such data necessary in the preparation of its tax reports and returns.

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- (12) References herein to data generated by the SOI Unit System shall not prohibit the use of such data by Franchisee in operation of the Unit and preparation of Franchisee's financial statements and tax returns, which financial statements and tax returns together with such records as shall be required for their substantiation shall remain the property of Franchisee, subject to the Company's right to inspection and copies thereof.
- (13) This Agreement is further subject to the terms of the Franchise Agreement, including all terms related to obtaining internet capability and prohibiting unapproved internet use.

4.B. LICENSE FEE.

Franchisee shall pay to the Company upon installation of the Unit Software, the Specified Software, and each enhancement thereto, on the Unit Hardware a software license fee (the "Software License Fee") in the amount and on a schedule then specified by the Company. The Software License Fee shall be fully earned by the Company upon installation of the Unit Software and each enhancement thereto on the Unit Hardware and shall be non-refundable.

4.C. COMPANY SOFTWARE ASSISTANCE.

During the term of this Agreement and, provided that Franchisee is in compliance with the terms of this Agreement, the Company shall make available to Franchisee such support services as the Company deems reasonably necessary to facilitate the purpose of the SOI Unit System, as well as to facilitate marketing, advertising, and general franchise support throughout the Steak-Out network. The cost thereof shall be borne from amounts otherwise paid or set aside for marketing, advertising or support, development and assistance or in the Company's discretion shall be subject to such additional fees paid by Franchisee as the Company shall prescribe from time to time. To the extent such additional fees are not based upon actual or third party costs they shall be reasonable in amount and shall be reflective of the Company's cost of providing the related services. Such support services shall not extend to error correction, or support and assistance, necessitated by Franchisee's operation of the SOI Unit System other than in compliance with this Agreement, or, in the Company's discretion, to services for which Franchisee is required to contract with third parties in accord with Section 5.A.

4.D. MODIFICATION, ENHANCEMENT, AND REPLACEMENT.

Franchisee acknowledges that Company may, during the term of this Agreement, require Franchisee to modify, enhance and/or replace all or any part of the SOI Unit System at Franchisee's

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expense, and agrees, within ninety (90) days of receipt of notice from the Company, to acquire, or acquire the right to use for the remainder of the term of this Agreement, the modified, enhanced or replacement version of the SOI Unit System specified by the Company and to take any and all other actions as may be necessary to enable the modified, enhanced or replacement SOI Unit System to operate as specified by the Company. Any such modifications, enhancements, and replacements may require Franchisee to incur costs to purchase, lease and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this Agreement. Franchisee acknowledges that Company cannot estimate the cost of future enhancements, modifications and replacements to the SOI Unit System, and that the cost to Franchisee of obtaining the enhancements, modifications, and replacements to the SOI Unit System, may not be fully amortizable over the remaining term of the Franchise Agreement. Nonetheless, Franchisee agrees to incur such costs. No such modification, enhancement or replacement shall be specified unless, in the opinion of the Franchisor, it is reasonably appropriate or necessary in relation to the cost thereof born directly by Franchisee. If such modification, enhancement, and/or replacement requires an expenditure in excess of \$5,000 and such modification, enhancement and/or replacement is not critical to the operation of the Unit, the Company will grant the Franchisee nine (9) months to implement the modification, enhancement or replacement.

4.E. INSTALLATION AND TRAINING.

The Company or its designee shall assist Franchisee in installation and use of the SOI Unit System, shall provide such initial training thereon as is required and shall provide for assistance and development as otherwise appropriate to Franchisee's needs out of funds paid pursuant hereto or otherwise designated or set aside for advertising, marketing promotion and development. Franchisee shall load into the SOI Unit System as directed by the Company, the names, addresses, phone numbers and order histories of so many of its past, current and potential customers within its Delivery Area as is reasonably practicable. Franchisee acknowledges that the potential usefulness of the SOI Unit System can only be achieved if pertinent information about all potential and actual customers within its Delivery Area is loaded into the SOI Unit System and kept current. Accordingly, Franchisee shall with reasonable frequency update all customers as are newly present within the Delivery Area and delete such persons as are no longer in its area. The Company shall also supply such potential customer and demographic information about Franchisee's Delivery Area as it has from time to time.

4.F. WARRANTIES AND LIMITATION OF LIABILITY.

The Company represents to Franchisee that: (1) the Company has sufficient rights, title, licenses and authorizations to license and/or supply and/or specify others to license or supply the SOI Unit System to Franchisee, subject only to nonexclusive licenses granted to others; and (2) the SOI Unit System does not, and as a result of any enhancements, improvements or modifications provided

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by the Company will not, to the best of Company's knowledge, infringe upon any United States patent, copyright or other proprietary right of any third party. In the event Franchisee's use of the SOI Unit System as provided by the Company is enjoined as a result of a claim by the a third party of patent or copyright infringement or violation of proprietary rights, the Company shall, in its sole discretion, either (i) procure for Franchisee the right to continue use of the SOI Unit System as contemplated hereunder, or (ii) replace the SOI Unit System or modify it such that there is no infringement of the third party's rights; and such action by the Company shall be Franchisee's sole and exclusive remedy against the Company in such event.

The Company does not represent or warrant to Franchisee, and expressly disclaims any warranty, that the SOI Unit System is error-free or that the operation and use of the SOI Unit System by the Franchisee will be uninterrupted or error-free. The Company shall have no obligation or liability for any expense or loss incurred by the Franchisee arising from use of the SOI Unit System.

EXCEPT FOR THE ABOVE EXPRESS LIMITED WARRANTIES, THE COMPANY MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SOI UNIT SYSTEM, PROGRAM DOCUMENTATION, OR ANY OTHER MATERIAL FURNISHED HEREUNDER, OR ANY COMPONENT THEREOF. ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT THERETO ARE EXPRESSLY EXCLUDED.

5. **AGREEMENT TO BE BOUND BY THE TERMS OF SUBCOMPONENT LICENSE AND THIRD-PARTY AGREEMENTS.**

5.A. **THIRD PARTY SERVICE AND FEES.**

For Unit Software program maintenance, support and error correction, and for Unit Hardware maintenance and support Franchisee shall enter into, and shall bear the cost of, support and maintenance agreements according to specifications prescribed by the Company from time to time, with such companies other than the Company as shall meet specifications prescribed by the Company. Such agreements shall be subject to approval by the Company.

5.B. **COMPONENT AND THIRD PARTY LICENSES.**

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Franchisee acknowledges that the SOI Unit System may contain third-party components licensed or contracted as part of the SOI Unit System pursuant to software license agreements with third-party vendors (collectively, the "Component Licenses"). In addition, Franchisee acknowledges that acquisitions by Franchisee of all or portions of the SOI Unit System and the Specified Software from or through the Company may be governed by license or other agreements between third-party vendors and the Company, which agreements permit the Company to sell and/or sublicense all or portions of the SOI Unit System and the Specified Software to Franchisee or specifically require Franchisee to agree to be bound by the terms thereof (either type of license hereinafter referred to as the "Third Party Licenses"). Franchisee shall be bound by the terms of each Component License and, to the extent Franchisee purchases all or portions of the Specified Software or the SOI Unit System from or through the Company, each relevant Third Party License, in each case as if Franchisee is a party thereto, and agrees that the vendors and licensors of all or portions of the Specified Software and the SOI Unit System (collectively, the "Vendors") are third-party beneficiaries of this Agreement with full rights to enforce this Agreement as it pertains to the purchased items and the SOI Unit System. Franchisee further shall indemnify and hold harmless the Company and each of the Vendors from and against all costs, expenses, and damages arising out of or based upon any breach or claim of a breach of this Agreement, the Third Party Licenses or Component Licenses by Franchisee, its directors, officers, employees, agents and owners.

6. **COPYRIGHTS.**

6.A. **OWNERSHIP OF COPYRIGHTS.**

Franchisee and the Company acknowledge and agree that (1) the Company may authorize Franchisee to use certain copyrighted or copyrightable works (the "Copyrighted Works"), including the SOI Unit System, (2) the Copyrighted Works are valuable property of the Company or its Affiliates, and (3) the Franchisee's rights to use the Copyrighted Works are granted to Franchisee solely on the condition that Franchisee complies with the terms of this Section 6. Franchisee acknowledges and agrees that the Company owns or is the licensee of the owner of the Copyrighted Works and will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the SOI Unit System, including, but not limited to, all categories of works eligible for protection under the United States copyright law, all of which shall be deemed to be Copyrighted Works under this Agreement. Such Copyrighted Works include, but are not limited to, the manuals and other materials and information provided to Franchisee by the Company for use in the operation of the SOI Unit System. All works of authorship related to the SOI Unit System which are created in the future will be owned by the Company or its Affiliates.

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6.B. LIMITATION ON FRANCHISEE'S USE OF COPYRIGHTS.

Franchisee's right to use the Copyrighted Works pursuant to this Agreement is limited to the use of such Copyrighted Works during the term of this Agreement and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by the Company from time to time during the term of this Agreement, and is derived solely from this Agreement. Franchisee shall ensure that all copies of Copyrighted Works used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by the Company specifying that Company or its Affiliate is the owner of the copyright. Any unauthorized use, adaption, publication, reproduction, preparation of derivative works, distribution of copies (whether by sale or other transfer of ownership, or by rental, lease or lending), public performance of such works or attempts to recreate all or a portion of such Copyrighted Works shall constitute a breach of this Agreement and an infringement of the rights of the Company in and to the Copyrighted Works. Franchisee acknowledges that this Agreement does not confer any interest in the Copyrighted Works upon Franchisee, other than the right to use the Copyrighted Works in connection with the operation of the SOI Unit System in compliance with this Agreement. If the Company authorizes Franchisee to prepare any adaptation, translation or work derived from the Copyrighted Works, or if Franchisee prepares any Copyrighted Work such as menus, advertisements, posted or promotional materials, Franchisee hereby agrees that such adaptation, translation, derivative work or Copyrighted Work shall be the property of the Company and Franchisee hereby assigns all its rights, title and interest therein to Company. Franchisee agrees to execute any documents, in recordable form, which the Company determines are necessary to reflect such ownership. Franchisee shall submit all such adaptations, translations, derivative works and Copyrighted Works to the Company for approval prior to use.

6.C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

Franchisee shall immediately notify the Company of any actual or apparent infringement of or challenge to any of the Copyrighted Works, or claim by any person of any rights in the Copyrighted Works. Franchisee shall not communicate with any person other than the Company and its counsel in connection with any such infringement, challenge or claims. The Company shall have the sole discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively any settlement, litigation, arbitration or administrative proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to the Copyrighted Works. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of the Company's counsel, be necessary or advisable to protect and maintain the interest of the Company in the Copyrighted Works. The Company will reimburse Franchisee for the reasonable out-of-pocket expenses incurred and paid by Franchisee in complying with the requirements imposed by this Section 6.C.

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6.D. **DISCONTINUANCE OF USE.**

Franchisee agrees to immediately comply with the Company's directions to modify or otherwise discontinue the use of the Copyrighted Works and/or to use any substitute materials specified by the Company. Neither the Company nor its Affiliates shall have any obligation to reimburse Franchisee for any expenditures made by Franchisee to modify or discontinue the use of any Copyrighted Work or to adopt additional or substitute copyrighted or copyrightable items.

7. **CONFIDENTIALITY.**

The SOI Unit System and all additions, modifications and enhancements thereof and thereto, and all data generated from use thereof, including but not limited to the logic, structure and operation of the data base file structures containing such data, and all additions, modifications and enhancements thereof and thereto shall be deemed to be "Confidential Information" as defined in the Confidentiality Agreement by and between the Company and Franchisee ("Confidentiality Agreement") and is therefore governed by and subject to all of the terms, conditions, and restrictions of the Confidentiality Agreement relating to Confidential Information.

8. **TERM.**

The term of this Agreement shall begin on the Effective Date and terminate concurrently with the earlier to occur of the expiration or termination of the Franchise Agreement or the termination of this Agreement. Notwithstanding the foregoing, Sections hereof providing for copyright, confidentiality and other protection of the SOI System for the Company shall survive the expiration or earlier termination of this Agreement forever.

9. **TERMINATION; BREACH.**

In addition to termination of this Agreement as provided in other Sections hereof, the Company may terminate this Agreement, effective upon delivery of notice of termination to Franchisee, if (1) Franchisee breaches any provision of this Agreement; or (2) the Company has the right to terminate the Franchise Agreement pursuant to the terms of the Franchise Agreement.

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Upon Franchisee's breach of this Agreement, the Company may, in addition to termination of this Agreement, exercise all rights and remedies available to it under the Franchise Agreement for any breach of the Franchise Agreement as if this Agreement were a part of the Franchise Agreement.

In addition, in the event that the Company terminates this Agreement, the Company will have the right to terminate the Franchise Agreement, in accordance with the terms and provisions thereof.

10. **ASSIGNMENT.**

This Agreement and the rights and obligations arising hereunder may not be assigned by Franchisee except in conjunction with an assignment of the Franchise Agreement made in compliance with the terms of the Franchise Agreement. This Agreement is fully assignable by the Company and shall inure to the benefit of any assignee or other successor to the interest of the Company therein.

11. **SEVERABILITY.**

If any provision of this Agreement is declared or made invalid or unenforceable by judicial action, legislation or other government action, the Company may terminate this Agreement effective upon thirty (30) days' prior written notice to Franchisee. If the Company does not elect to terminate this Agreement as aforesaid, all provisions of this Agreement shall be deemed severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by the Company is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provision hereof, and the Company shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

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12. **NO WAIVER OF DEFAULT.**

Either party's failure at any time to require strict performance by the other party of any of the provisions hereof shall not waive or diminish the right thereafter to demand strict compliance therewith or with any other provision. Waiver of any specific default shall not waive any other default.

13. **INJUNCTIVE RELIEF.**

Franchisee acknowledges that the Company would be irreparably harmed by any breach hereof, that monetary damages would be inadequate and that the Company shall have the right to have an injunction or other equitable remedies imposed in relief of, or to prevent or restrain, such breach. Franchisee agrees that the Company will not be required to post a bond to obtain any injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby). Franchisee agrees that the Company shall also be entitled to any and all other relief available under law or equity for such breach.

14. **RIGHTS OF PARTIES ARE CUMULATIVE.**

The rights of the Company and Franchisee hereunder are cumulative and no exercise or enforcement by the Company or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Company or Franchisee of any other right or remedy hereunder or to which the Company or Franchisee is entitled by law.

15. **COSTS AND LEGAL FEES.**

Allocation of and the determination of responsibility for costs and legal fees incurred by the parties hereto in connection with this Agreement shall be governed by and subject to the terms, conditions, and restrictions of the Franchise Agreement as if this Agreement were incorporated therein.

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16. **RELATIONSHIP OF PARTIES.**

This Agreement does not create a fiduciary relationship from the Company to the Franchisee. The Company and Franchisee are and shall be independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose.

17. **GOVERNING LAW; DISPUTE RESOLUTION.**

This Agreement and the relationship between the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Georgia. Franchisee consents to jurisdiction and venue at Franchisor's sole discretion in the Georgia Courts of Fulton, Gwinnett or DeKalb County, Georgia and in the United States District Court for the Northern District of Georgia, or similar courts in the then principal place of executive offices of Franchisor. At the Company's election, any such dispute shall be determined by an arbitration panel, members of which shall be experienced and knowledgeable in the specific law and substance to which the dispute related, from the American Arbitration Association (or other arbitration organization or body chosen by the Company), sitting in Atlanta, Georgia, and applying all applicable laws and procedures applied to courts in the State of Georgia, except as may be modified herein.

No claim shall be brought, and no litigation shall be commenced, by or on behalf of Franchisee or Owners any later than one year following occurrence of the first fact or event upon which such claim or litigation is based and such no claim or litigation shall be brought earlier than ninety (90) days following specific notice thereof given to the Company with opportunity to cure.

18. **LIMITATION OF LIABILITY.**

In no event shall the Company be liable for special, indirect, incidental or consequential damages even if the Company has been advised of the possibility thereof, or for any lost profits or any claim against Franchisee by any other party. The Company's liability hereunder for damages, if any, shall in no event exceed the total amount paid by Franchisee for software support fees during the three month period preceding the event giving rise to the claim for damages. The Company shall not be liable for any failure to provide any services required hereunder if such failure is due to any cause beyond its reasonable control.

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19. **BINDING EFFECT.**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified, except by written agreement signed by both Franchisee and the Company.

20. **CONSTRUCTION.**

This Agreement constitutes a separate license to use the SOI Unit System and all obligations hereunder are in addition to and cumulative with the obligations of Franchisee under the Franchise Agreement. Except as otherwise provided herein, nothing in this Agreement shall confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the sections hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs. The term "Franchisee" as used in this Agreement is applicable to one or more persons or entities as the case may be, and the singular usage includes the plural and the masculine and neuter usages include each other and the feminine. If two or more persons are at any time Franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities to the Company shall be joint and several.

21. **NOTICES.**

All notices permitted or required to be delivered by this Agreement shall be deemed so delivered at the time delivered by hand, one (1) business day after transmission by facsimile with proof of receipt, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the Company and the Franchisee at the last address formally specified by each.

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INITIALS

Executed this _____ day of _____, 200__

COMPANY:

FRANCHISEE:

STEAK-OUT FRANCHISING, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Witness: _____

Witness: _____

(Corporate Seal)

(Corporate Seal)

Witness

Owner (Seal)

Witness

Owner (Seal)

Witness

Owner (Seal)

Witness

Owner (Seal)

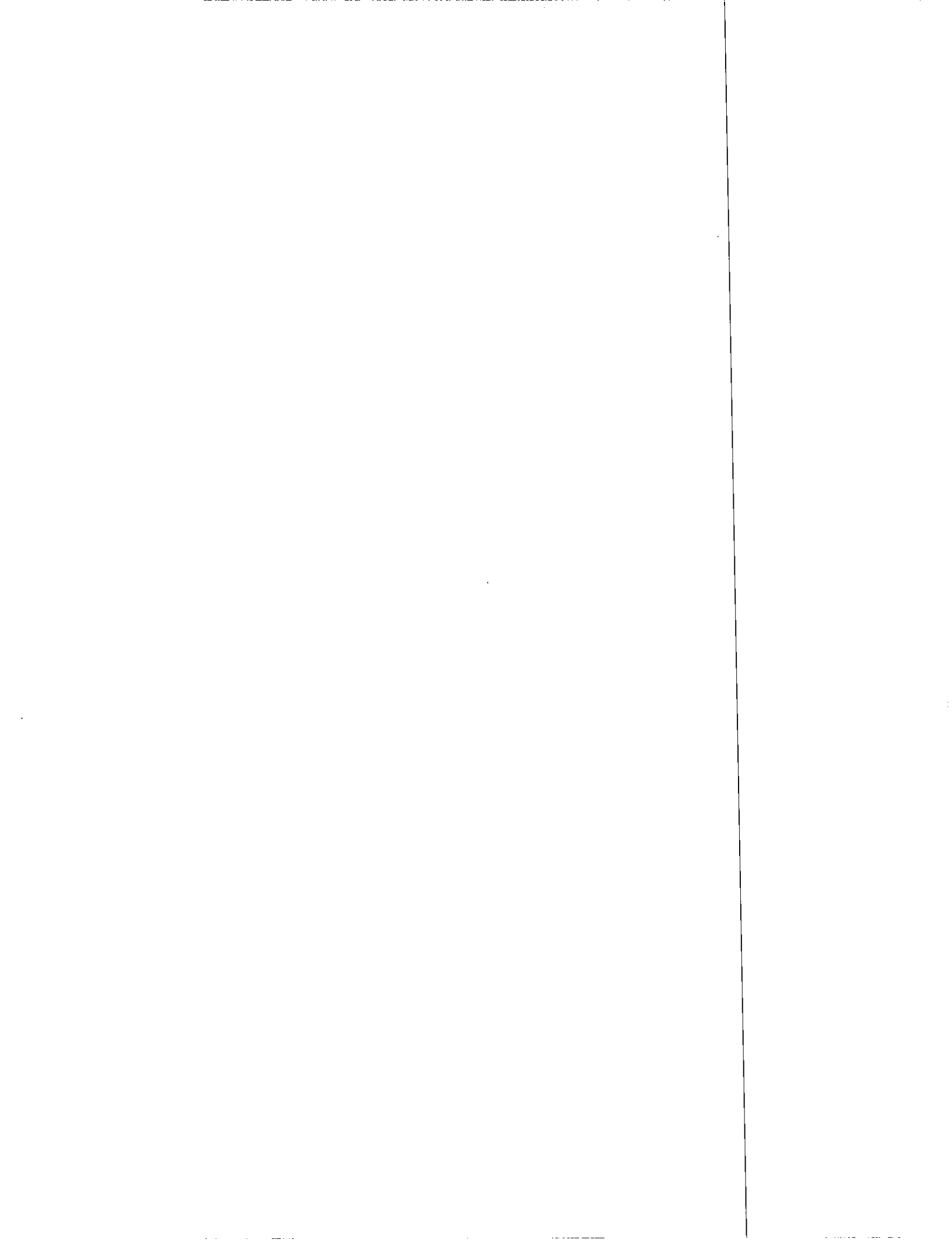


EXHIBIT H
Current Bank Authorization Form

I hereby authorize Steak-Out Franchising, Inc., hereinafter called SOFI, (SOFI Federal I.D. #58-2182337 to initiate debit entries to my ___ Checking ___ Savings account indicated below at the depository named below, hereinafter called DEPOSITORY and authorize DEPOSITORY to debit the same to such account.

DEPOSITORY (BANK) NAME: _____ BRANCH: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Bank/ABA# _____ ACCOUNT #: _____

This is to remain in full force and effect for the entire term of the Unit Franchise Agreement, including renewals , unless upon ten (10) days written notice this authorization is subsequently replaced by maker.

NAME: _____ FEDERAL IDENTIFICATION: _____
(Please print or type)

SIGNED: _____ DATE: _____

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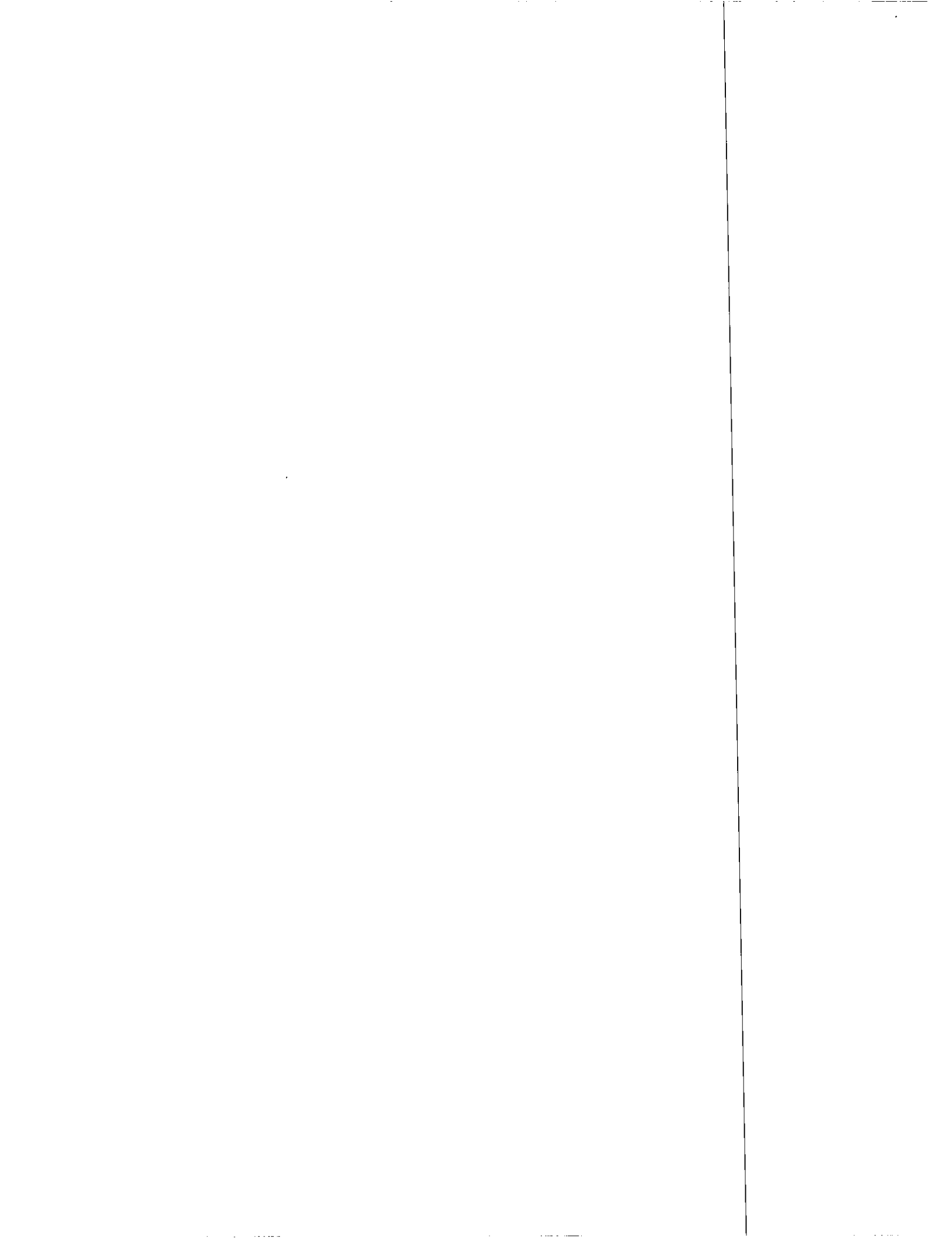


EXHIBIT I
Collateral Assignment of Lease

STEAK-OUT FRANCHISING, INC.
FRANCHISEE LEASE ADDENDUM

This Addendum is attached to and made a part of that certain Lease (the "Lease") by and between _____ ("Landlord") and _____ ("Tenant"), for certain premises located at _____ in _____.

In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. All defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease.

1. **STEAK-OUT'S ASSIGNMENT PROVISIONS AND SECURITY INTEREST.** Anything contained in the Lease to the contrary notwithstanding, Landlord hereby agrees to the Collateral Assignment of Lease provisions attached hereto.

Pursuant to the Collateral Assignment of Lease, and without any further consent, the Lease and the right title and interest of the Tenant thereunder, may be assigned by the Tenant to Steak-Out Franchising, Inc. a Georgia Corporation ("Steak-Out"), or its designee, provided that Steak-Out, or its designee, shall execute such documents evidencing its agreement to thereafter keep and perform, or cause to be kept and performed, all of the obligations of the Tenant arising under this lease from and after the time of such assignments. The terms of such assignment are as specified in the Collateral Assignment of Lease attached hereto.

Upon a default by Tenant in its Franchise Agreement with Steak-Out, and in the event Steak-Out executes on its security interest in the Lease and Tenant's fixtures and equipment (pursuant to the terms of its Franchise Agreement with Tenant), such action shall not be deemed a default or assignment under the Lease; provided, however, Steak-Out shall thereafter have the right to assign the Lease on Tenant's behalf, without charge and without Landlord's consent being required, to an authorized franchisee.

2. **STEAK-OUT'S NOTICE AND CURE RIGHTS.** Landlord shall give written notice to Steak-Out, (concurrently with the giving of such notice to Tenant) of any default by Tenant under the lease and Steak-Out shall have after the expiration of the period during which the Tenant may cure such default, an additional thirty (30) days to cure, at its sole option, any such default.

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INITIALS

Notice to Steak-Out shall be addressed as follows:

Steak-Out Franchising, Inc.
6801 Governor's Lake Parkway
Suite 100
Norcross, Georgia 30071

3. **TERM** The term of the Lease shall be for a term of at least ten (10) years, or, if shorter, there shall be renewals available to Tenant that allow the term of the Lease to total at least ten (10) years.
4. **AMENDMENTS TO LEASE** Landlord agrees to notify Steak-Out of each modification or amendment to the lease, which modification or amendment may only be binding upon Steak-Out's consent thereto.
5. **USE CLAUSE.** Tenant shall have the right to use the Premises for purposes of a take-out/delivery restaurant selling steaks, burgers, chicken, beverages, and other products sold in Steak-Out stores, and retail sales and other ancillary purposes associated therewith.
6. **STEAK-OUT SIGNAGE.** Landlord hereby grants and approves the following signage:
 1. **Opening Signage.** Tenant shall have a license to: (a) erect at least one single or double sided wooden sign in the landscaped Common Area adjoining the most heavily traveled right of way adjacent to the Shopping Center which sign shall say "Coming Soon - Steak-Out" or words similar thereto during the period between the lease execution date and sixty (60) days after the date Tenant opens for business; and (b) display "Coming Soon" or "Grand Opening" banners on or near Premises during such period and eight (8) weeks following the opening.;
 2. **Permanent Signage** Tenant may, at its own expense, erect and maintain on the exterior of the premises its typical illuminated sign(s) and/or awning(s), as well as a pole sign, bearing the Steak-Out registered trademark to identify the Tenant's business. Tenant may, at its own expense, add on the exterior face of its premises its typical Steak-Out trademark identity coloring to identify the tenant business. Signs must meet local ordinances.; and
 3. **Interior Signage** The Tenant shall be allowed to put in place in the Unit a sign stating "This Unit is independently operated as a licensed, franchised, Steak-Out store".

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INITIALS

7. **ADEQUATE PARKING CLAUSE**

Landlord shall make available to Tenant an adequate number of parking spaces adjacent to the Unit for use by the Tenant, as well as additional parking in the Shopping Center.

8. **ROOF PENETRATION** Tenant shall have the right to penetrate the roof as part of its normal configuration as a Steak-Out Unit.

9. **NO PERCENTAGE CLAUSES** Any provision of the Lease that requires Tenant to pay rent based on a percentage of its sales is hereby deleted.

10. **RETURN OF EXECUTED LEASE.** Landlord agrees to return a fully executed original lease within 10 days of execution to Steak-Out at the address listed above.

TENANT

LANDLORD

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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INITIALS

Collateral Assignment of Lease

FOR VALUE RECEIVED, the undersigned _____ ("Tenant") hereby assigns, transfers and sets over unto Steak-Out Franchising, Inc., a Georgia corporation ("Steak-Out") all of Tenant's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as _____. This Agreement is for collateral purposes only and except as specified herein, Steak-Out shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of the Lease unless Steak-Out shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Tenant thereunder after the date of such assignment.

If Steak-Out takes possession of the premises demised by the Lease and confirms to Landlord the assumption of the Lease by Steak-Out or its designee as tenant thereunder, Landlord shall recognize Steak-Out as tenant under the Lease, and Steak-Out, or its designee shall not be liable for prior defaults or for obligations prior to the date of such assignment to Steak-Out.

Tenant represents and warrants to Steak-Out that it has full power and authority to so assign the Lease and its interest therein and that Tenant has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby to any party other than Steak-Out or Steak-Out's designee.

Upon default by Tenant under the Lease or under the franchise agreement for a Steak-Out Unit between Tenant and Steak-Out (the "Franchise Agreement"), or in the event of a default by Tenant under any document or instrument securing said Franchise Agreement, Steak-Out shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Tenant therefrom and, in such event, Tenant shall have no further right, title or interest in the Lease.

Tenant agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Steak-Out. Through the term of the Franchise Agreement and any renewals thereto, Tenant agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Steak-Out otherwise agrees in writing. Upon failure of Steak-Out to otherwise agree in writing, and upon failure of Tenant to so elect to extend or renew the Lease as stated herein, Tenant hereby appoints Steak-Out as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Tenant for the sole purpose of effecting such extension or renewal.

This _____ day of _____, 200__

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INITIALS

TENANT:

By: _____

Name: _____

Title: _____

Witness: _____

Notary Public

FRANCHISEE OWNERS:

By: _____

By: _____

By: _____

By: _____

Notary Public

STEAK-OUT FRANCHISING, INC.

By: _____

Name: _____

Title: _____

Witness: _____

Notary Public

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INITIALS

EXHIBIT J
ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

This Assignment is entered into this _____ day of _____, _____, in accordance with the terms of that certain Steak-Out Franchising, Inc. Franchise Agreement (the "Franchise Agreement" between _____ ("Franchisee") and Steak-Out Franchising, Inc. a Georgia corporation ("Franchisor"), executed concurrently with this Assignment, under which "Franchisor" granted "Franchisee" the right to own and operate a Steak-Out "Unit" located at _____ (the "Unit").

For Value Received, "Franchisee" hereby assigns to "Franchisor", all of the right, title and interest in and to those certain telephone numbers listed below and regular, classified or other telephone directory listings (collectively, the "Telephone Numbers and Listings") associated with Franchisor's trademarks and service marks and used from time to time in connection with the operation of the Unit at the address provided above. Except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the Telephone Company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as the Telephone Company) to effectuate the assignment pursuant to the terms thereof.

STEAK-OUT FRANCHISING, INC.

FRANCHISEE:

By: _____
Name: _____
Title: _____

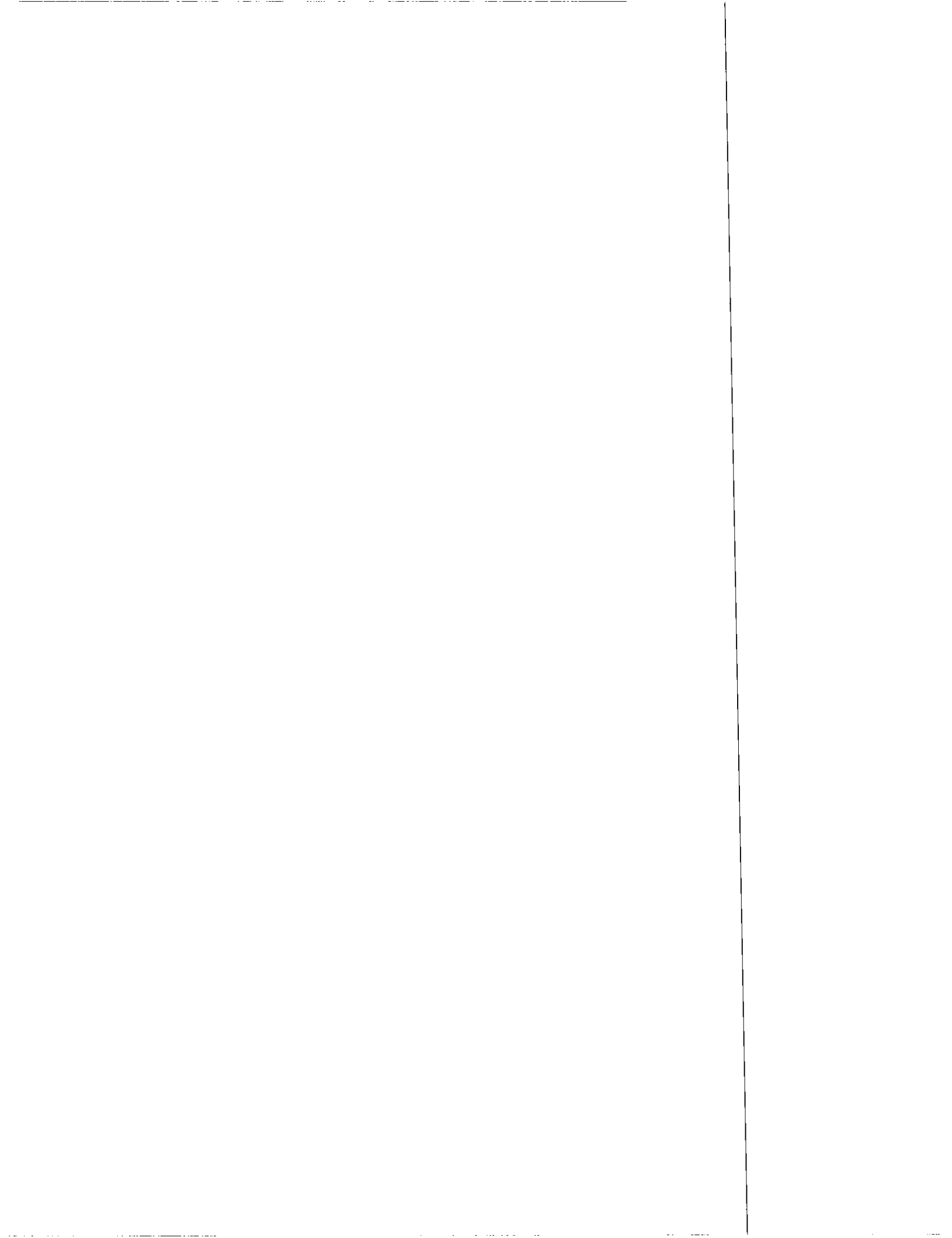
By: _____
Name: _____
Title: _____

Telephone Numbers

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INITIALS

EXHIBIT K
CONFIDENTIALITY AGREEMENT



CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is executed this ____ day of _____, _____ by and between _____ ("Recipient") and Steak-Out Franchising, Inc. ("Franchisor").

WHEREAS, Franchisor desires to disclose certain information to Recipient, which information considers confidential and proprietary; and

WHEREAS, Recipient agrees to restrict its use and disclosure of the confidential and proprietary information of Franchisor under the terms and conditions hereinafter set forth.

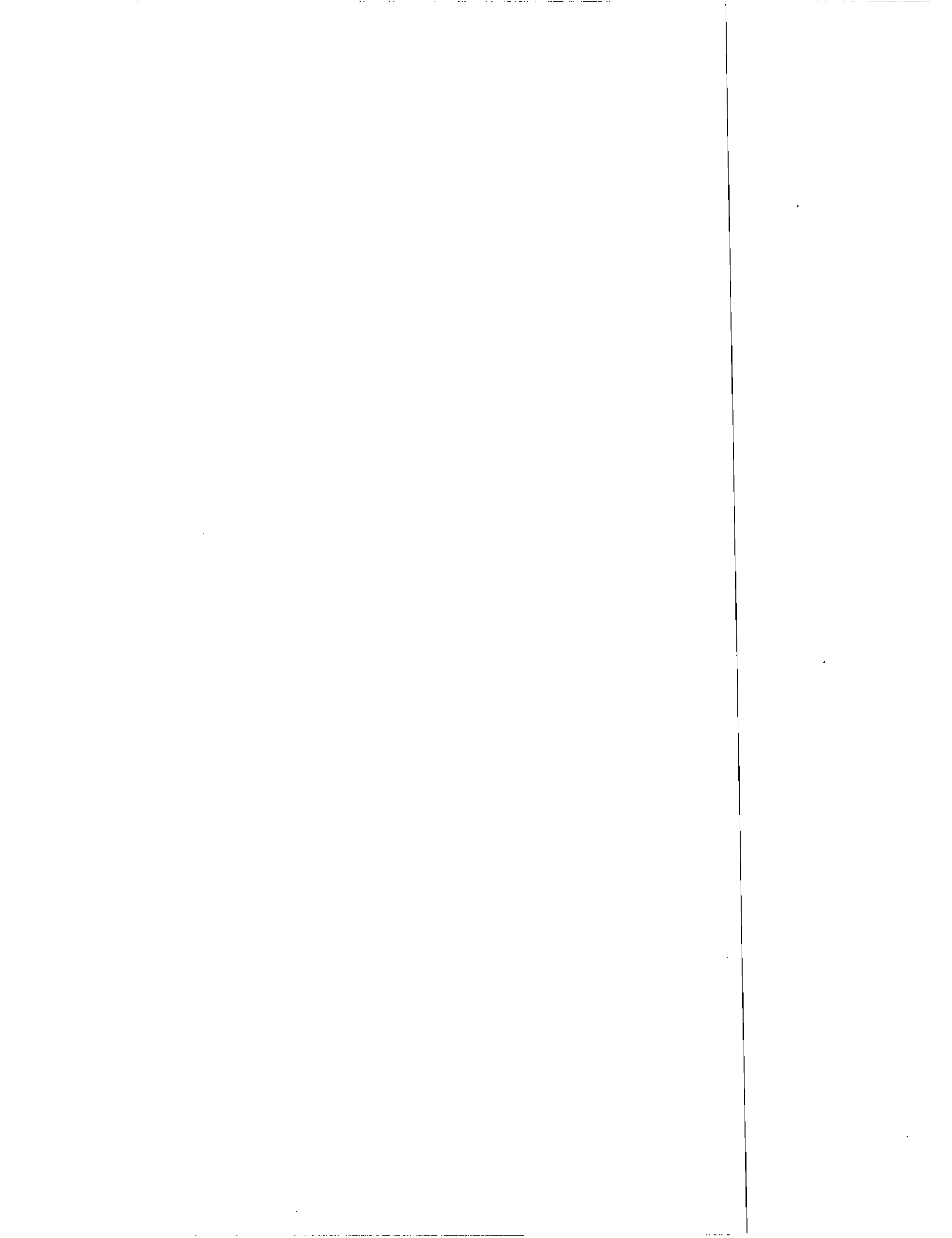
NOW THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Recipient and Franchisor agrees as follows:

1. **CONFIDENTIAL INFORMATION.** Confidential Information as used herein shall mean all nonpublic information, documentation and devices, which Franchisor considers confidential and proprietary, in whatever form, disclosed or made available to Recipient or to which Franchisor has allowed Recipient access. Without limiting the foregoing, Confidential Information shall include the Confidential Operations Manual, and information designated therein or in the Unit Franchise Agreement as Confidential, operations and performance and demographic information furnished to Franchisee from time to time, specifications, configurations and other information supplied pursuant to the Information System Agreement, reports and analysis supplied by Franchisor, sales and cost data, and accounting information related to store and system operations, and such other proprietary and non public information as Franchisor shall designate from time to time. Recipient acknowledges and agrees that the Confidential Information is proprietary to, and a valuable trade secret of Franchisor.

2. **NO DISCLOSURE.** Recipient shall not at any time from the date hereof until that date that is two (2) years after the termination or expiration of the Franchise Agreement, disclose, permit the disclosure of, release, disseminate, or transfer, whether orally or by any other means, any part of such Confidential Information to any other person or entity, whether corporate, governmental, or individual, without the express prior written consent of an authorized representative of Franchisor. In the event Confidential Information is disclosed, released, disseminated or transferred to any other person, Recipient will advise such person of the terms of this Agreement, and each such other person shall execute the form attached hereto. Recipient shall return any written Confidential Information and all copies made of such items, to Franchisor upon Franchisor's written request. Recipient hereby agrees that such Confidential Information including any documents derived therefrom may be used

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INITIALS



by Recipient only as authorized by Franchisor. Recipient shall take all reasonable and prudent measures to avoid any disclosure whatsoever of any such Confidential Information to any unauthorized person or entity by Recipient's employees, agents, or attorneys. Recipient shall also be obligated to comply with the Georgia Trade Secrets Act in perpetuity, to the extent Confidential Information provided by Franchisor shall be deemed to be a Trade Secret, as that term is defined in the Georgia Trade Secrets Act.

3. **RECIPIENT AS PARTNERSHIP OR CORPORATION.** In the event that Recipient is a partnership or corporation, the provisions of this Agreement relating to access to, and disclosure of, Confidential Information shall apply to all shareholders, members, partners, officers, directors, employees and agents of Recipient, as applicable, and Recipient shall be responsible for ensuring the compliance of all such parties with the terms hereof, and in any event shall apply to the Owners specified in the Unit Franchise Agreement.

4. **NEGATION OF LICENSES.** No rights or licenses, expressed or implied, are hereby granted any patents, copyrights or trade secrets of Franchisor as a result of or related to this Agreement. Franchisor retains all ownership and proprietary rights in and to the Confidential Information.

5. **SURVIVAL OF OBLIGATIONS.** The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Recipient, its successors and assigns.

6. **GOVERNING LAW, DISPUTE RESOLUTION.** This Agreement AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO shall be governed by and construed in accordance with the internal laws of the State of Georgia. Recipient consents to jurisdiction and venue at Franchisor's sole discretion in the Georgia Courts of Fulton, Gwinnett or DeKalb County, Georgia and in the United States District Court for the Northern District of Georgia, or similar courts in the then principal place of executive offices of Franchisor. At Franchisor's election, any such dispute shall be determined by binding arbitration before an arbitration panel, members of which shall be experienced and knowledgeable in the specific law and substance to which the dispute related, from the American Arbitration Association (or other arbitration organization or body chosen by Franchisor), sitting in or around Georgia, and applying all applicable laws and procedures applied to courts in the state of Georgia, except as may be modified herein.

7. **ENFORCEMENT.** Recipient acknowledges and agrees that breach of any provision of this Agreement by Recipient will cause irreparable harm to Franchisor and that monetary damages will be inadequate to compensate Franchisor; accordingly, Recipient agrees that Franchisor will be entitled to seek injunctive relief and reasonable attorney's fees in any court of competent jurisdiction restraining and enjoining any further violations of this Agreement, which right of injunction is cumulative of any other rights or remedies that Franchisor may have as a result of a breach of this Agreement.

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INITIALS

8. **SEVERABILITY.** If any provision of this Agreement shall be declared void or invalid by a court of competent jurisdiction, such void or invalid provisions shall not in any way impair the whole Agreement, the remaining provisions shall be construed as if not containing the provisions held to be void or invalid, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

9. **ENTIRE AGREEMENT.** This Agreement embodies the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings or agreements, oral or written, between the parties hereto. This Agreement is integrated with, and incorporated by reference into the other agreements between some or all of the parties hereto in which it is referenced.

10. **COUNTERPARTS.** This Agreement may be executed in two copies, each of which when executed by the parties shall be considered to be a duplicate original.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on this _____ day of _____, 200____.

FRANCHISOR:

STEAK-OUT FRANCHISING, INC.

By: _____
Name: _____
Title: _____

Witness:

FRANCHISEE:

By: _____
Name: _____
Title: _____

Witness:

FRANCHISEE OWNERS:

Name: _____

Name: _____

Name: _____

Name: _____

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INITIALS

EXHIBIT L
Additional Expenditures

Grand Opening Advertising Amount \$ _____

Working Capital \$ _____

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INITIALS

