

FRANCHISE DISCLOSURE DOCUMENT

Big Al's Steaks A & S, Inc.
450 E. Atlantic Avenue
Delray Beach, Florida 33483
(561) 819-0399
www.bigalssteaks.com

BIG AL'S STEAKS®

We grant you the right to operate a BIG AL'S STEAKS® Restaurant. Your Restaurant will offer Philadelphia steak sandwiches and similar "hoagie" submarine-style sandwiches, hotdogs, French fries, beverages and other related products.

The total initial investment necessary to begin operation of your Restaurant is from \$268,325 to \$566,826. This includes \$170,025 to \$240,350 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Alan Costilo at 450 E. Atlantic Avenue, Delray Beach, Florida 33483; (561) 819-0399.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: April 18, 2011, as amended November 1, 2011

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STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE WITH US ONLY IN FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY, FLORIDA) GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS OTHER LAW. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN THE APPLICABLE STATE OR FEDERAL DISTRICT COURT WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY, DELRAY BEACH, FLORIDA). ALTHOUGH THE GOVERNING LAW MAY PROVIDE THAT ANY PROVISIONS OF THE FRANCHISE AGREEMENT DESIGNATING JURISDICTION OUTSIDE OF THE STATE ARE VOID. IT MAY COST MORE TO LITIGATE WITH US IN THE STATE WHERE OUR HEADQUARTERS ARE LOCATED THAN IN YOUR HOME STATE. LOCAL LAW MAY SUPERSEDE CERTAIN FRANCHISE AGREEMENT PROVISIONS. YOU MAY WANT TO COMPARE THESE LAWS.
3. WE WERE INITIALLY FORMED IN OCTOBER 2008. ALTHOUGH OUR AFFILIATES HAVE OPERATED SIMILAR RESTAURANTS SINCE 2006, WE ARE IN THE DEVELOPMENT STAGE AND OUR BUSINESS IS SUBJECT TO ALL THE RISKS INHERENT IN A NEW BUSINESS ENTERPRISE.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Florida State Effective Date: May 19, 2010, as amended November 1, 2011

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

To simplify the language in this Disclosure Document, “we” or “us” means Big Al’s Steaks A & S, Inc., the Franchisor. “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” also may mean its owners.

The Franchisor

We are a Florida corporation incorporated on October 1, 2008. Our principal place of business is at 450 E. Atlantic Avenue, Delray Beach, Florida, 33483, (561) 819-0399; www.bigalssteaks.com. We do business under the name “BIG AL’S STEAKS.” We do not have any parents or predecessors.

We have 5 affiliates, Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc., Big Al’s Steaks of Legacy Place, Inc., Big Al’s Steaks, Inc. and BASHA Management, Inc. (collectively, our “Affiliates”). Big Al’s Steaks of Coconut Creek, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks of Delray Beach, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks of Legacy Place, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. BASHA Management, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445.

Our agents for service of process are disclosed on Exhibit A to this Disclosure Document.

Our Business Experience

We began offering franchises in April 2009 under the name “BIG AL’S STEAKS.” We do not offer, and have not offered, franchises in any other line of business. We have never operated a business similar to the business being franchised.

Our Affiliates Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. each currently operate a business similar to the business being franchised under this Disclosure Document. These locations operate under the BIG AL’S STEAKS name. Big Al’s Steaks of Coconut Creek, Inc. opened a BIG AL’S STEAKS restaurant in April 2006 in Coconut Creek, Florida. Big Al’s Steaks of Delray Beach, Inc. opened a BIG AL’S STEAKS restaurant in October 2007 in Delray Beach, Florida. Big Al’s Steaks of Legacy Place, Inc. opened a BIG AL’S STEAKS restaurant in March 2011 in Palm Beach Gardens, Florida. The restaurants that Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. operate are substantially similar to the BIG AL’S STEAKS Restaurant you will operate. Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. do not operate any other business and have never offered franchises in any line of business.

Our Affiliate Big Al’s Steaks, Inc. is the owner of the BIG AL’S STEAKS Marks. Big Al’s Steaks, Inc. does not operate a business similar to the type being franchised. Big Al’s Steaks, Inc. has never offered franchises in any line of business.

Our Affiliate BASHA Management, Inc. currently offers store management and operational services and meat slicing services to our BIG AL’S STEAKS franchisee. Depending on your geographic location, BASHA Management, Inc. may offer these same services to other franchisees. If BASHA Management, Inc. provides store management and/or operations services to you, you will pay BASHA

Management, Inc. a monthly service fee equal to 5% of your Gross Sales (the “Management Fee”). Additionally, if BASHA Management, Inc. provides you with meat slicing services, you will pay BASHA Management, Inc. a monthly slicing fee equal to \$0.50 per pound of sliced ribeye (the “Slicing Fee”). BASHA Management, Inc. does not operate a business similar to the type being franchised. BASHA Management, Inc. has never offered franchises in any line of business.

The Franchise

We grant you the right to operate a BIG AL’S STEAKS Franchised Restaurant (the “Restaurant”). We also offer qualified franchisees the right to develop multiple BIG AL’S STEAKS Restaurants within a protected territory (the “Development Territory”) under the terms of the Area Development Agreement (“Area Development Agreement”). If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Restaurant developed under your Area Development Agreement.

Your Restaurant will be a quick service restaurant offering Philadelphia steak sandwiches and similar “hoagie” submarine-style sandwiches, hot dogs, French fries, beverages and other products (“Menu Items”). You must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name BIG AL’S STEAKS and other marks as we designate (“Marks”).

You must operate your Restaurant under the BIG AL’S STEAKS system (“System”). The System is characterized by a distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which we may change. BIG AL’S STEAKS Restaurants range in size from 800 to 2,400 square feet, depending on the location of your Restaurant. You must adhere to the System regardless of the size of your Restaurant.

The Market and Competition

Your Restaurant will offer food products to the general public and the sales are not significantly impacted by seasonality. Your competitors include other restaurant businesses, particularly those offering similar food products, including national or regional franchise systems and other chains. We believe that the market for quick service restaurants offering similar Menu Items and other products is well developed.

Licenses and Permits

Laws exist in every state that govern the food service industry (including health, sanitation and safety regulations regarding food storage, preparation and safety). You must comply with these laws and other laws that apply to businesses generally. In addition to laws and regulations that apply to businesses generally, your Restaurant will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; storage, preparation and sale of food products including meat products; and health, sanitation and safety regulations relating to food service. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer – Dr. Alan Costilo

Alan Costilo has been our Chief Executive Officer since our inception in October 2008. Dr. Costilo also currently serves as Vice President and owner of our affiliate, Big Al's Steaks of Delray Beach, Inc., and is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc. and Big Al's Steaks, Inc. Since April 2006 and October 2007, respectively, Dr. Costilo has served as a manager for both of our Affiliates' BIG AL'S STEAKS Restaurants. From May 2002 through January 2008, Dr. Costilo operated his own business, Alan Costilo SS, which provided software product support for Wizzard Software Corporation located in Pittsburgh, Pennsylvania.

Chief Operating Officer – Adam Costilo

Adam Costilo has been our Chief Operating Officer since our inception in October 2008. Mr. Costilo also is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc., Big Al's Steaks of Delray Beach, Inc. and Big Al's Steaks, Inc. Since April 2006 and October 2007, respectively, Mr. Costilo has served as a manager for both of our Affiliates' BIG AL'S STEAKS Restaurants. From March 2000 through June 2007, Mr. Costilo served as the general manager for Auntie Anne's Pretzels located in Boca Raton, Florida.

Chief Financial Officer – Stephen I. Tucker

Stephen Tucker has been our Chief Financial Officer since our inception in October 2008. Since January 1989 to the present, Mr. Tucker also has owned a wholesale collectibles business, Steves SC, located in Plymouth Meeting, Pennsylvania. Since January 2002, Mr. Tucker also has been employed by H & R Block, Inc. as a seasonal tax preparer.

Marketing Manager – Brad Costilo

Brad Costilo has been our Marketing Manager since our inception in October 2008. Since January 2008, Mr. Costilo also has served as marketing manager for our Affiliates' BIG AL'S STEAKS Restaurants. From June 2006 through June 2008, Mr. Costilo was a senior insurance sales agent for Bill Shaddix Agency, Inc. located in Palm Beach Gardens, Florida. From May 2001 through June 2006, Mr. Costilo was the door man supervisor for the Ritz Carlton Hotel located in Manalapan, Florida.

Franchise Relations Manager – Donna Marvin

Donna Marvin has been our Franchise Relations Manager since our inception in October 2008. Since January 2007, Ms. Marvin also has served as a manager for our affiliate Big Al's Steaks of Delray Beach, Inc.'s BIG AL'S STEAKS Restaurant. From February 2005 through July 2006, Ms. Marvin was an office manager for Industrial Hydro-Blast located in Macon, Georgia.

Supply Chain Manager – Shura Costilo

Shura Costilo has been our Supply Chain Manager since our inception in October 2008. Ms. Costilo also is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc., Big Al's Steaks of Delray Beach, Inc. and Big Al's Steaks, Inc. Since May 2006 and October 2007 respectively, Ms. Costilo has served as the product procurement manager for both of our Affiliates' BIG AL'S STEAKS Restaurants.

From December 2001 through May 2006, Ms. Costilo served as a Restaurant manager for Gloria Jean's Coffee located in Boca Raton, Florida.

Production Manager – Paul Cooper

Paul Cooper has been our Production Manager since our inception in October 2008. Mr. Cooper also has served as Production Manager for both of our Affiliates' BIG AL'S STEAKS Restaurants since July 2007. From January 2003 through November 2007, Mr. Cooper served as assistant manager for Gloria Jeans Coffee located in Boca Raton, Florida.

Director of Franchise Development and Sales – Jason Steele

Jason Steele has been our Director of Franchise Development and Sales since October 2011. From March 2008 to June 2011, Mr. Steele served as President of Franchise Development for CeX located in New York, New York. From February 2004 to October 2007, Mr. Steele served as Director of Franchise Development for Quiznos located in Denver, Colorado.

ITEM 3
LITIGATION

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

ITEM 4
BANKRUPTCY

On April 16, 2003, Dr. Alan Costilo (our Chief Executive Officer) filed a petition under Chapter 7 of the U.S. Bankruptcy Code in U.S. Bankruptcy Court for the Southern District of Florida, Bankruptcy Case No. 03-31949-BKC-SHF. The bankruptcy petition was voluntarily withdrawn by Dr. Costilo in 2004. The withdrawal of bankruptcy petition was accepted and the matter closed on February 9, 2004.

On February 24, 2004, Mr. Steele (our Director of Franchise Development and Sales) filed a petition under Chapter 7 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of Kentucky, Bankruptcy Case No. 04-20391-wsh. Mr. Steele's bankruptcy was discharged on June 22, 2004.

Other than the two bankruptcies identified above, no bankruptcy is required to be disclosed in this Disclosure Document.

ITEM 5
INITIAL FEES

Initial Franchise Fee

If you purchase a single franchise, you must pay to us an Initial Franchise Fee of \$27,500. The entire \$27,500 Initial Franchise Fee is due when you sign a Franchise Agreement. The Initial Franchise Fee is earned upon receipt and is nonrefundable.

During our last fiscal year ending December 31, 2010, we collected an Initial Franchise Fee in the amount of \$27,500.

Equipment Package

Before you open your Restaurant for business, you will purchase from us certain equipment as further described in Schedule A attached to the Franchise Agreement (the “Equipment Package”). The cost for the Equipment Package will range from \$142,525 to \$212,850 and is due prior to starting the Restaurant. The fee paid for the Equipment Package is earned upon receipt and non-refundable. As outlined further in Item 10, we may offer you financing for the Equipment Package. During our last fiscal year ending December 31, 2010, we collected an Equipment Package fee in the amount of \$132,350.

Area Development Fee

If you sign an Area Development Agreement, you must develop a minimum of two Restaurants within the Development Territory. The Initial Franchise Fee for the first Restaurant is \$27,500. The Initial Franchise Fee for each subsequent Restaurant you agree to develop under the Area Development Agreement is \$20,000. Upon signing the Area Development Agreement, you pay the entire Initial Franchise Fee for the first Restaurant and ½ of the Initial Franchise Fee for each additional Restaurant to be opened under the Area Development Agreement (the “Area Development Fee”).

The Area Development Fee is applied to the Initial Franchise Fee for each Restaurant opened under the Area Development Agreement, so that upon signing the required individual Franchise Agreement for a Restaurant, you must submit the balance of the Initial Franchise Fee for that Restaurant. The Initial Franchise Fees for Restaurants opened under an Area Development Agreement are nonrefundable.

During our last fiscal year ending December 31, 2010, we did not enter into any Area Development Agreements and, therefore, did not collect any Area Development Fees.

ITEM 6 **OTHER FEES**

Type of Fee(1)	Amount	Due Date	Remarks
Royalty Fee(2)	6% of Gross Sales(3)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period(4)	
Marketing Fee(5)	2% of Gross Sales(3)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period(4)	As of the date of this Disclosure Document, we do not collect the Marketing Fee, but reserve the right to begin collecting this fee upon 30 days advance written notice. Except for Special Sites, we will contribute the same amount for each similarly situated company or affiliate-owned restaurant in the same local marketing area.

Type of Fee(1)	Amount	Due Date	Remarks
Local Marketing(6)	2% of Gross Sales(3)	Periodically	The expenses for local marketing will be paid to third party vendors unless we designate a local marketing cooperative. If we designate a local cooperative, you must direct your local marketing expenditure to the marketing cooperative (7).
Online Ordering Fee	\$50 - \$100 per month	Paid by electronic funds transfer on the first day of each month for the preceding month.	As of the date of this Disclosure Document we do not collect the monthly Online Ordering Fee, but reserve the right to begin collecting this fee upon 30 days advance written notice.
Management Fee	5% of Gross Sales (3)	Paid by electronic funds transfer on the first day of each month for the preceding month.	Depending on the geographic location of your Restaurant, BASHA Management, Inc. may provide store management and/or operations services to you. You are not required to receive management and/or operations services from BASHA Management, Inc.
Slicing Fee	\$0.50 per pound of sliced ribeye	Paid by electronic funds transfer on the first day of each month for the preceding month.	Depending on the geographic location of your Restaurant, BAHSA Management, Inc. may provide you with meat slicing services. You are not required to contract with BAHSA Management, Inc. to provide you with meat slicing services if you slice your own ribeye.
Audits	Cost of audit plus interest at the maximum rate allowable by law (not to exceed 1.5% per month)	Immediately upon receipt of bill	You pay for the cost of the audit only if it shows an understatement of 2% or more of your Gross Sales.
Transfer Fee	\$14,000 plus our then current training fee for each person we train as a condition of transfer	Time of transfer	
Renewal Fee	\$5,000	Time of renewal	
Relocation Fee	\$5,000	Time of relocation	

Type of Fee(1)	Amount	Due Date	Remarks
Late Fee	\$100 for each delinquent report or payment	Automatically upon next Electronic Transfer of Funds	
Interest	1.5% per month	Immediately upon receipt of bill	
Additional Assistance/ Training	Our then-current training fee	Immediately upon receipt of bill	We provide opening assistance at no cost. See Item 11.
Insurance (8)	\$9,000-\$12,000	When premiums are due	See Items 7 and 8 for more information on insurance.

Notes:

- (1) You pay all fees to us unless otherwise noted. All fees are nonrefundable.
- (2) The amount of the Royalty Fee for any renewal term will be as provided in the franchise agreement executed for such renewal term.
- (3) Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, whether under any of our Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Restaurant or on its premises as well as all license and use fees. Gross Sales does not include sales tax.
- (4) Reporting Period means the weekly period from Sunday to Saturday (unless we designate otherwise). If there are insufficient funds from which to pay the fee when due, the amount due will bear interest at the highest applicable legal rate up to a maximum of 1.5% per month from the date due.
- (5) See Item 11 for more information on advertising.
- (6) When collected, the Marketing Fee will be paid to us for deposit in a Marketing Fund. The expenses for local marketing must be paid by you directly to the vendors.
- (7) As further described in Item 11, we may designate a local marketing cooperative and require you to contribute to and participate in the marketing cooperative. Each Restaurant, including our company and affiliate-owned restaurants (except Special Sites), will be a member of the marketing cooperative. Each Restaurant will have one vote per Restaurant. If the majority of the Restaurants in a local marketing cooperative are company- or affiliate-owned, we will have majority voting power.
- (8) This estimate includes all risk or all peril coverage, business interruption insurance, comprehensive general liability insurance and other forms of required insurance. You pay insurance premiums directly to third party insurers. You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but prior to commencing construction of your Restaurant, and thereafter annually or at our request a proper certificate evidencing the existence of the required insurance coverage. See Item 8 for more information on insurance.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$27,500	Lump sum	Upon signing of Franchise Agreement	Us
Real Estate (Note 2)	Varies	As Arranged	As Arranged	Landlord
Leasehold Improvements (Note 3)	\$50,000 to \$204,000	As Arranged	As Arranged	Contractors
Equipment Package (Note 4)	\$142,525 to 212,850	As Arranged	As Arranged	Us
Management and Slicing Fee	\$0 to \$11,876	As Arranged	As Arranged	BASHA Management, Inc.
POS System (Note 5)	Included in the Equipment Package above	As Arranged	As Arranged	Us
Internet POS Monitoring (Note 6)	\$300 to \$600	As Arranged	As Arranged	Approved Supplier
Lease & Utility Security Deposits (Note 7)	\$3,500 to \$20,000	As Arranged	As Incurred	Lessor and Utility Companies
Insurance (Note 8)	\$2,000 to \$5,000	As Arranged	As Arranged	Insurance Company
Training (Note 9)	\$0 to \$1,500	As Incurred	As Incurred	Third Parties
Opening Marketing Campaign Fund (Note 10)	\$3,500	As Incurred	As Incurred in First 60 Days	Third Parties
Initial Opening Order (Note 11)	\$12,000 to \$15,000	As Arranged	Before Opening	Approved Suppliers
Professional Fees, Business Licenses and Permits	\$2,000 to \$10,000	As Arranged	As Arranged	Your Attorneys and Other Professionals, Local and State Agencies
Additional Funds (Note 12) (three month period)	\$25,000 to \$55,000	As Incurred	As Incurred In First Three Months	Employees, Suppliers
TOTAL (Note 13)	\$268,325 to \$566,826			

Notes:

- * We may offer you financing for the Equipment Package. (See Item 10) Other than the Equipment Package, we do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us or our affiliates are nonrefundable. Third party suppliers will decide if payments to them are refundable.
- (1) Initial Franchise Fee. The Initial Franchise Fee is \$27,500 and is due when you sign a Franchise Agreement. The Initial Franchise Fee is earned upon receipt and is nonrefundable. See Item 5 for more information on the Initial Franchise Fee.
 - (2) Real Estate. If you do not own suitable space for your Restaurant, you must lease a premises suitable for the operation of a Restaurant. You typically will lease a location with approximately 800 to 2,400 square feet, depending on the location of your Restaurant. Lease expenses may vary widely based on geographical location, size of the facility, local lease rates, and other factors.
 - (3) Leasehold Improvements. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of the leasehold improvements required, the local cost of contract work and the geographic location of your Restaurant.
 - (4) Equipment Package. You will purchase your initial equipment from us. A list of the equipment included in this amount is attached as Schedule A to Franchise Agreement. See Item 5.
 - (5) POS System. You will purchase the computer system from us as part of the Equipment Package described in Schedule A to Franchise Agreement. The POS system will cost \$11,250 and is included in the total cost of the Equipment Package.
 - (6) Internet POS Monitoring. The estimate in the table above is for three months of service. The monthly fee will range from \$100 per month to \$200 per month. The continual Internet POS Monitoring fee will be paid to our approved supplier. As noted in Item 6, we reserve the right to collect an Online Ordering Fee ranging from \$50 per month to \$100 per month upon 30 days advance written notice.
 - (7) Lease & Utility Security Deposits. Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, electricity and related utility services. A typical utility security deposit is one month's expense. A typical lease deposit will be an amount equal to first and last month's rent. These deposits may be refundable in accordance with the agreements made with the utility companies and landlord. Your rental expense may vary widely based on geographic location, size of the facility, negotiating factors, local rental rates and other factors.
 - (8) Insurance. You must procure and maintain throughout the term of the Franchise Agreement insurance in such amounts as set forth in the Franchise Agreement. The estimate is for approximately three months of insurance premiums. The cost of insurance will vary based on policy limits, type of policies procured, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.
 - (9) Training. You must make arrangements for at least one person to attend our training program. See Item 11 for more information on training. We will not charge you a fee for this person to attend our training program and we will pay all hotel and transportation costs for this one person to attend training. The estimate provided contemplates initial training of one person for 9 days. We also will not charge you a fee for one additional person to attend our training, but you are responsible for all hotel, transportation and other costs and expenses for any additional person

(outside of the first person as noted above) to attend training. You will pay our then-current training fee for any additional people to attend training.

- (10) Opening Marketing Campaign Funds. You must spend at least \$3,500 before or during the first 60 days your Restaurant is open on grand opening marketing, promotion and events. See Item 11 for more information.
- (11) Initial Opening Order. Your initial opening order must be purchased only from approved suppliers. The initial opening order consists of various food products, beverages, paper products, cleaning supplies and other supplies utilized in the operation of the Restaurant.
- (12) Additional Funds. This amount of working capital is projected as sufficient to cover initial operating expenses, including employee salaries, for a period of three months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. This amount does not end your initial investment obligations.
- (13) Total. We have used our Affiliates' five years of experience in the business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPMENT AGREEMENT. If you sign an Area Development Agreement, your initial investment for your first Restaurant will be the same as disclosed in the Item 7 chart. You also will pay a one-time Area Development Fee as described in Item 5. This is the only additional initial investment for the Area Development Agreement. The Initial Franchise Fee for each subsequent Restaurant is set forth in Item 5. You also should be aware that your initial investment for your second and subsequent Restaurants likely will be higher than the above estimates for your first Restaurant due to inflation and other economic factors that may vary over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the BIG AL'S STEAKS system, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must accept the location of your Restaurant (see Item 11). You must execute our standard form of Lease Addendum in connection with any lease for the location, a copy of which is attached to the Franchise Agreement as Schedule D. You must construct and equip your Restaurant in accordance with our then current approved design, specifications and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for a restaurant point-of-sale system), signage, fixtures, furnishings, products, ingredients, supplies and advertising materials that meet our specifications and standards.

Designated Sources

As noted in Items 5 and 7, you must purchase the Initial Equipment Package, including the POS System, from us. We reserve the right to derive revenue from your purchase of these items. In addition, you must purchase ongoing equipment and supplies only from us or our approved suppliers as noted in this Item 8. From time to time we, an affiliate or a third party vendor or supplier may be the only approved supplier for certain products. For example, as of the date of this Disclosure Document, we are the only approved supplier for the Equipment Package identified on Schedule A to the Franchise Agreement. Additionally, you must purchase your ribeye steak, bread and other proprietary BIG AL'S STEAKS products and ingredients and certain other specialty products we designate only from our designated supplier, currently Cheney Brothers. You will pay the then-current price in effect for all purchases you make from us, our affiliate or any third party vendor we designate.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Restaurant ("Approved Supplies List"). The Approved Supplies List may specify the specific manufacturer or supplier of a specific product or piece of equipment. We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or an affiliate may be that single source. For example we may require you to serve only Coca Cola soft drinks, juices, bottled water and other beverages. Additionally, you must use our approved system and supplier for processing credit card sales. The lists also may include other specific products without reference to a particular manufacturer or supplier, or they may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. We generally do not give these lists to approved suppliers.

We generally do not consider requests from franchisees to obtain products from an alternative supplier. We do not share the criteria we use in approving a supplier with our franchisees.

Because we supply the Equipment Package to our franchisees, each of our officers owns an interest in one of our suppliers (the Franchisor). Other than our officers' ownership interest in us, as of the date of this Disclosure Document no officer has an ownership interest in any approved supplier.

You must carry insurance policies protecting you, us and our affiliates. The insurance policy or policies shall be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, shall include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk coverage" or "All Peril coverage") on the Restaurant, restaurant improvements, furniture, fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum 12 months loss of income, including coverage for our Royalty Fees (for example, in the event of a fire or destruction of the premises, the insurance must cover our average royalty payments (based on the previous 12 month timeframe, or if a shorter timeframe, the total operating timeframe for the restaurant) during the rebuilding process); (iii) comprehensive general liability insurance, including product liability insurance and contractual liability insurance, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (iv) workers' compensation covering all of your employees; (v) employers liability insurance with minimum limits of \$1,000,000 per occurrence; (vi) umbrella liability insurance which also includes employers liability, with minimum limits of \$2,000,000 per

occurrence; (vii) "Per Location" aggregate limits when multiple restaurant locations are insured under one comprehensive general liability and umbrella liability policy(cies); (viii) Big Al's Steaks A & S, Inc. named as an additional insured on all liability policies required by this subparagraph; (ix) severability of interests or separation of insureds provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Big Al's Steaks A & S, Inc.; and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant. We may from time to time modify the required minimum limits (including an increase to the umbrella policy referenced in (vi) above) and require additional insurance coverages by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the BIG AL'S STEAKS system, standards of liability and higher damage awards. Although we do not do so as of the date of this Disclosure Document, we reserve the right to designate a single source from which you must purchase or renew insurance.

The insurance coverages referenced in (iii), (iv), (v), (vi), (vii), (viii) and (ix) of this subparagraph must commence as of the date you sign your franchise agreement. The insurance coverages referenced in (i) and (ii) of this subparagraph must commence as of the date construction begins at the Restaurant.

You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but before commencing construction of your Restaurant, and thereafter annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured (as noted in (viii) above) and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. If you do not procure and maintain the required insurance coverage (including any modifications referenced in the preceding sentence), we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

Although we require certain insurance coverage and have recommended other coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Restaurant.

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8, as well as in connection with any future purchase of any goods, products or services. Most of these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor. We and our affiliates also will derive revenue from items we sell directly to you by charging you more than our cost. During our last fiscal year ending December 31, 2010, we received revenue of \$132,350 from franchisees based upon items we sold to franchisees, or 76% of our total revenues of \$174,219. During its last fiscal year ending December 31, 2010, our Affiliate BASHA Management, Inc. received revenue of \$15,150.70 from franchisee purchases of services, or 100% of its total revenues of \$15,150.70. During our last fiscal year we did not receive any rebates or other revenue from items purchased by our franchisees from any third party supplier.

We may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. Currently, there is no purchasing or distribution cooperative but we reserve the right to create a cooperative and require you to participate. We may receive volume discounts for the System which we will pass through to our franchised restaurants. Beyond these discounts, we do not provide material benefits to you because of your use of approved suppliers.

You can expect items purchased or leased in accordance with our specifications will represent approximately 80% to 90% of total purchases you will make to begin operations of the business and 30% to 40% of the ongoing costs to operate the business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement*	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 2A and 5A; Section 4 of the Area Development Agreement; Section 8 of the Area Development Agreement Addendum	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5A, 6A-6E and 9B	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5A and 5B; Sections 2 and 4 of the Area Development Agreement	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7B and 7C; Sections 5 and 6 of the Area Development Agreement	Items 5, 6 and 11
e.	Opening	Sections 2C and 5A; Section 4 of the Area Development Agreement	Items 5 and 11
f.	Fees	Sections 9A-9D; Section 3 of the Area Development Agreement; Sections 1 and 2 of the Area Development Agreement Addendum	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Sections 6A-6O; Sections 4 and 6A of the Area Development Agreement	Items 6, 7, 8, 11, 14 and 16
h.	Trademarks and proprietary information	Sections 3A-E and 6J; Section 6B of the Area Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2D-E and 6A-C	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	Sections 2E and 6L	Items 6 and 11
k.	Territorial development and sales quotas	Sections 2B and 2D; Section 4 of the Area Development Agreement; Schedule B of the Area Development Agreement	Item 12

	Obligation	Section in Agreement*	Item in Disclosure Document
l.	Ongoing product/service purchases	Sections 6A-6C	Items 6, 7 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 5B-5F	Items 8 and 11
n.	Insurance	Section 10C	Items 6, 7 and 8
o.	Advertising	Sections 8A-8E and 9D	Items 6, 7 and 11
p.	Indemnification	Section 10B	Not Applicable
q.	Owner's participation/management/staffing	Sections 7A-7F; Sections 5 and 6 of the Area Development Agreement Addendum	Items 11 and 15
r.	Records/reports	Sections 9E, 9H and 9I	Item 11
s.	Inspections/audits	Sections 5A-5C, 6G and 9I	Items 6 and 11
t.	Transfer	Sections 11A-11G; Section 9 of the Area Development Agreement	Items 6 and 17
u.	Renewal	Sections 4B	Items 6 and 17
v.	Post-termination obligations	Sections 14A-C; Sections 8A-F of the Area Development Agreement	Item 17
w.	Non-competition covenants	Section 10D	Item 17
x.	Dispute resolution	Sections 12A and 12B; Sections 10G and 10M of the Area Development Agreement	Item 17
y.	Other	Not Applicable	Not Applicable

* Unless otherwise noted, Section references are to the Franchise Agreement.

ITEM 10
FINANCING

As noted in Item 5, we may finance the Equipment Package. Your ability to obtain financing from us will depend on a number of factors including current market conditions, your credit history and your personal financial condition. We do not guarantee your notes, leases or other obligations and we are unable to estimate whether you will be able to obtain financing for any or all of your investment. If you obtain financing from us, you and us will sign a Promissory Note and Personal Guarantee (copies of which are attached to the Franchise Agreement as Schedule F). We may finance the Equipment Package based upon the following terms:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term	APR	Monthly Payment	Pre-Payment Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Equipment Package (1)	Us	(2)	\$27,500	3 years (2)	3.16% to 7%	\$1,145.85 (2)	No (3)	Yes – Personal Guaranty (4)	Yes (5)	Yes (5)

(1) We may finance up to \$27,500 of the Equipment Package for your Restaurant. Factors affecting financing approval and terms include your credit score and history, your net worth, our financial needs and standards, and other possible factors. We will offer financing through a Promissory Note, a sample copy of which is attached to the Franchise Agreement as Schedule F. The Note will consist of financing over a 3-year period at an annual interest rate ranging from 3.16% to 7%. We reserve the right to modify or cancel our financing program at any time. We provide financing for \$27,500 of the Equipment Package only. Any additional financing for the Equipment Package, Initial Franchise Fee, working capital or additional investment is your responsibility to obtain from other lending sources.

(2) As noted in note 1 above, we may finance \$27,500 of the Equipment Package only. You must be able to pay the remaining amount of the Equipment Package at the time you sign the Franchise Agreement. The first payment under the Note will be due 30 days after you open your BIG AL'S STEAKS Restaurant for business. The installment payments will consist of a fixed payment each month, and the monthly payment noted in the table above assumes you finance \$27,500 of the Equipment Package at an interest rate of 3.16%.

(3) The Note can be paid in part or in whole at any time without penalty.

(4) We require each Note to be personally guaranteed by the individual owner(s) of the Restaurant.

(5) We will have the right to demand immediate payment if you fail to make any installment payment on time as further stated in the Note. We will also have the right to terminate the Franchise Agreement if you fail to make an installment payment in accordance with the Note. A default of the Note will be a default of your Franchise Agreement.

(6) We do not have any present practice or intent to sell, assign, transfer or discount to a third party all or part of the financing arrangement.

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

Except as listed below, we need not provide any assistance to you:

Pre-Opening Assistance: Before you open your Restaurant, we will:

1. Provide you with site selection criteria and general building and design requirements for your Restaurant (Franchise Agreement, Sections 5A and B).
2. Provide you with the Approved Suppliers and Approved Supplies List (Franchise Agreement, Section 6C).
3. Provide you with either a written copy or an electronic copy of the Operations Manual (or electronic access to the Operations Manual) that details the specifications and procedures incidental to the operation of the Restaurant (Franchise Agreement, Section 6I).
4. Provide the training programs described below (Franchise Agreement, Sections 7B and 7C).
5. Provide you with opening support for your Restaurant, and any additional support we determine necessary (Franchise Agreement, Sections 7B and 7C).

Ongoing Assistance. During the operation of your Restaurant, we will:

1. Maintain the Marketing Fund (Franchise Agreement, Section 8A).
2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
3. Make periodic visits to your Restaurant as we reasonably determine to be necessary to provide consultation and guidance. We will advise you of any problems arising out of the operation of your Restaurant as disclosed by the report or by our inspection (Franchise Agreement, Section 6G).
4. Provide refresher training courses, as we determine necessary and require you to attend. We may provide these training programs without charge; however, you must pay all expenses for you and your employees, including training materials, travel and living expenses (Franchise Agreement, Section 7C).

Our Obligations Under the Area Development Agreement

A developer signs the initial Franchise Agreement in the Development Schedule at the time the Area Development Agreement is signed. Our obligations under the Franchise Agreement apply to a developer. Each time a developer signs another Franchise Agreement, our obligations are activated for the new Restaurant to be established. We do not have separate obligations under the Area Development Agreement.

Marketing

As of the date of this Disclosure Document we do not collect a Marketing Fee, but reserve the right to do so upon 30 days advance written notice. If we begin collecting a Marketing Fee, you will pay a Marketing Fee of 2% of your Gross Sales to a marketing and development fund (the "Fund") established by us.

We administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. If all of the Marketing Fees are not spent in the fiscal year in which they accrue, the remaining amounts are retained in the Fund for use in the following years. We may use the Fund for various purposes, including, but not limited to, (1) salaries, benefits and any other payments made to employees or any other individual or entity providing services to the Fund; (2) broadcast or print advertising; (3) the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising); (4) any marketing or related research and development; (5) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, Internet access provider costs, subscriptions to industry newsletters or magazines, and administrative costs and salaries for marketing support personnel; and (6) costs and expenses incurred by us relating to any franchise convention we hold or sponsor.

We determine the use of the monies in the Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Restaurant is located. We oversee the advertising program and use the Fund to create marketing materials and conduct national, regional or local advertising. We will contribute to the Fund amounts equal to your required percentage for each similarly situated company-owned and affiliate-owned restaurant in the same local marketing area, except those restaurants located at "Special Sites" (see Item 12). From time to time we may contribute to the Fund some amounts paid to us by outside suppliers. We will prepare an annual unaudited accounting of the Fund and will make it available for your review upon your written request. We have our own in-house marketing and advertising production capabilities, but also may use an outside national, regional, or local agency. We may be reimbursed for administrative costs and overhead incurred in administering the Fund. We will not use any of the advertising funds for the solicitation of franchise sales.

As noted above, we currently do not collect a Marketing Fee and, therefore, do not have any Marketing Fee expenditures to report.

You must spend at least 2% of your Gross Sales on local marketing and promotion. You may only use your own marketing material (including any marketing done through the Internet or through social media platforms) if we have approved it before its use. This local marketing and promotion expenditure is in addition to any Marketing Fee we may collect in the future.

You also must spend at least \$3,500 on grand opening marketing and promotion (the "Opening Marketing Campaign Fund"). The Opening Marketing Campaign Fund must be spent before or during the 60 days following the opening of your Restaurant. All marketing and promotion must be approved by us.

You must maintain a business phone and advertise continuously in the yellow pages or classified section of a local telephone directory (no display ads are required currently), the cost of which will count

toward your local marketing requirement. You must obtain our written approval of all promotional and marketing materials prior to their use.

Although we do not currently do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged.

POS System

Included in your Equipment Package is a computer-based point-of-sale cash register system and other computer hardware and software including any credit card processing system that we designate (the "POS System"). You must record all sales on the POS System. The POS System consists of 2 point-of-sale stations and all hardware, software and data used to record and analyze sales, labor, and some inventory and product usage, employee information and tax information. Currently, each point-of-sale station hardware consists of a computer and LCD touch screen and is connected to your lockable cash drawer, customer receipt printer, and a kitchen printer. The POS System software currently used is the Future POS Software, a general point-of-sale accounting software program. We reserve the right to designate changes or enhancements to the POS System used in your Restaurant including the electronic cash registers, computer hardware, software and other equipment. At such time as we designate the change or enhancement to the POS System, you may be required to make certain payments to us or our designated suppliers. You will have 3 months to install and commence using the changed or enhanced POS System. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced POS System, all at your cost.

The POS System we develop may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party, and you also may be required to pay a software licensing or use fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software.

We may access the POS System and retrieve, analyze, download and use all software, data and files stored or used on the POS System. We may access the POS System through our intranet, in your Restaurant or from other locations. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. You also must maintain a phone line and a separate modem dedicated for the sole use of allowing our computer system to interface and communicate with your POS System and you may need to purchase software designated by us for this to occur. You also must have your Restaurant connected to the Internet using a connection method we approve, currently DSL or Cable modem. You must have a permanent Internet email account.

You understand that the data storage, phone line, modem, communication software, Internet access, Internet email account and all additional hardware and software needed to implement and maintain these services is at your cost. We estimate the cost of purchasing the POS System will be approximately \$11,250, and is included in the amount you pay to us for the Equipment Package as described in Item 5. You also are required to pay a continual Internet enterprise monitoring and participation fee. The continual Internet enterprise monitoring and participation fee will range from \$100 per month to \$200 per month. The continual Internet enterprise monitoring and participation fee will be paid to our approved supplier. Included with your POS System is a 2-year support package. We estimate the annual cost of optional and/or required maintenance, updating, upgrading or support contracts for the POS System will range from \$100 to \$750. In addition, when your initial support package term expires, you will be required to enter into a new POS support package with our then-current POS support supplier.

As noted in Item 6, we reserve the right to collect an Online Ordering Fee ranging from \$50 per month to \$100 per month upon 30 days advance written notice.

You must upgrade or update hardware and software, as directed by us, during the term of the Franchise Agreement. There are no contractual limitations on the frequency and cost of the obligation.

Site Selection

You select the site for the Restaurant with site selection guidelines we provide. You must verify to us that your site complies with our site selection guidelines. We do not select your site. However, upon your submission of all required information, we will notify you in writing within 30-45 days whether or not we have any objections to the site you proposed. You may not proceed to develop a Restaurant on the site unless we have provided you with our written acceptance of the site. Further, we must approve your plans and specifications for the Restaurant prior to the time you commence construction. Our identification, or acceptance of a site does not constitute a guarantee, recommendation or assurance as to the success of the site or your Restaurant. The site selection factors considered by us in deciding whether or not to object to the location may include the following: (a) demographics; (b) traffic patterns; (c) visibility; (d) business mix; (e) ability to reflect image to be portrayed by BIG AL'S STEAKS businesses; and (f) adequacy of signs and image.

If you have not selected a site at the time the Franchise Agreement is signed you have 180 days to do so. If the site selection cannot be agreed upon, we may terminate the Franchise Agreement or grant you an extension of time to locate a site.

Typical Length of Time Before You Open Your Restaurant

The typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately 12 to 18 months. Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Restaurant, meet local requirements, obtain inventory, and similar factors.

Unless we provide you with written notice stating otherwise, we must approve your opening date.

If a developer fails to comply with the Development Schedule, we may terminate the Area Development Agreement, reduce the number of Restaurants the developer has the right to develop, terminate or reduce the Development Territory, repurchase any Restaurants open by you under the Area Development Agreement or exercise any other rights and remedies that we may have (Area Development Agreement, Section 8).

Operations Manual

Attached as Exhibit E to this Disclosure Document is the table of contents for our Operations Manual. You must treat the Operations Manual, and other written materials created for or approved for use in the operation of the Restaurant, and the information contained in them, as confidential. The Operations Manual will remain our sole property. We may, from time to time, revise the contents of the Operations Manual and you must comply with each new or changed standard.

Training

You must complete the following initial training program at least 14 days prior to opening your Restaurant. There is no charge for you and one additional person to attend the initial training program. You must complete the following initial training program to our satisfaction:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, History, Orientation	1	0	Delray Beach, Florida
Industry Study	1	0	Delray Beach, Florida
Franchisee/Franchisor Relationship	2	0	Delray Beach, Florida
Menu/POS Training	2	0	Delray Beach, Florida
Hands-On/In-Store Training	1	1	Delray Beach, Florida
Business Basics – Running a Big Al’s Steaks	4	0	Delray Beach, Florida
Human Resources	1	0	Delray Beach, Florida
Equipment Review	1	0	Delray Beach, Florida
Hands-On – Opening the Store	0	2	Delray Beach, Florida
Hands-On – Real Time Opening the Store	0	3	Delray Beach, Florida
Closing Procedures of the Store	0	2	Delray Beach, Florida
Ordering and Inventory	2	0	Delray Beach, Florida
Products, Prep, Recipes and Cooking	1	2	Delray Beach, Florida
Cleaning and Equipment Maintenance	1	1	Delray Beach, Florida
Reporting and Documentation	2	0	Delray Beach, Florida
Accounting and Financial	2	0	Delray Beach, Florida
Marketing, Advertising and Grand Opening	2	0	Delray Beach, Florida
Overview	1	1	Delray Beach, Florida
On-Site Training in Philadelphia	0	12	Philadelphia, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Recap	4	0	Delray Beach, Florida
Review and Graduation	4	0	Delray Beach, Florida
TOTAL	32	24	

Alan Costilo and Adam Costilo will oversee our training. Alan Costilo has been our Chief Executive Officer since our inception in October 2008. For the last 5 years, Alan Costilo has been an owner/operator of our Affiliates' BIG AL'S STEAKS Restaurants. Adam Costilo has been our Chief Operating Officer since our inception in October 2008. For the last 5 years, Adam Costilo has been an owner/operator of our Affiliates' BIG AL'S STEAKS Restaurants. Additional information regarding Alan Costilo's and Adam Costilo's background and experience is set forth in Item 2. Other of our or our Affiliate's officers, directors or employees may assist with training. The Operations Manual will be used as the principal instructional material.

You (or if Franchisee is a legal entity, one of your owners) must complete to our satisfaction this training program that lasts approximately 9 days. 8 days of training will be held in Delray Beach, Florida, and 1 day will be held in Philadelphia, Pennsylvania. We will pay all hotel and transportation costs for you (or one of your owners) to attend our training program. We will train one additional person without charging you a training fee. You, however, are responsible for paying all hotel and transportation costs for any additional people to attend our training program.

If you would like us to train more than the two people noted above, or if it becomes necessary to re-train a certain individual, we will charge you our then-current training fee. You also will be responsible for paying all travel and hotel costs and other daily expenses for each additional person who attends our initial training program. Training generally occurs at our affiliate's Delray Beach, Florida, Restaurant and in Philadelphia, Pennsylvania, but we may schedule your training at another site.

Any managers or replacement managers you hire must complete our training course.

Your Restaurant may be certified as a training center or Franchise Training Unit. To be certified as a training center, all of your Restaurants and any Restaurants operated by your affiliates must have been in continuous full contractual compliance with all Franchise Agreements executed by you or your affiliates and you and your affiliates are in full compliance with all operational requirements, all for an uninterrupted period of six months prior to your request that your Restaurant be certified as a training center. If your Restaurant is certified as a training center, you may train any managers or replacement managers you hire. Any managers or replacement managers that you train, must pass a training test we administer.

Additionally, prior to the opening of your Restaurant, we will provide you with on-site opening training and assistance for up to 14 days as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Set Up	1-2	3-5	Franchisee Location
POS and Pricing	3-4	4-7	Franchisee Location
Marketing	2-4	2-4	Franchisee Location
Inventory and Ordering 101	2-4	2-4	Franchisee Location
Introducing Yourself to the Community	1	3-5	Franchisee Location
Equipment 101	2	4-8	Franchisee Location
Products, Prep, Recipes and Cooking	2	6-12	Franchisee Location
Opening	2	4-8	Franchisee Location
Closing	2	4-8	Franchisee Location
Back Office	2	2-4	Franchisee Location
TOTAL	19-25	34-65	

If you request additional days of on-site training or if we determine that it is necessary to provide you with more on-site training we may require you to pay to us for each additional on-site training day our then-current daily on-site training fee.

We may require you to attend refresher training programs. We will not charge for this training, but you must pay the travel, living expenses and supply costs for you and your employees.

We may require you to attend any annual meeting, convention or conference of franchisees we hold and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics, at your own expense.

ITEM 12 **TERRITORY**

You receive the right to operate a BIG AL'S STEAKS Restaurant at a specific location described in the Franchise Agreement. We will not during the term of your franchise operate or grant others the right to operate any other BIG AL'S STEAKS restaurant within a specified geographic area ("Designated Area"), except as generally described in this Item 12 and more fully set forth in the Franchise Agreement. We determine the Designated Area and incorporate it into a written description or a map attached to the Franchise Agreement or in a separate correspondence from us to the franchisee.

The criteria used for determining the boundaries of the Designated Area include: population base, density of population, growth trends of population, the density of residential and business entities, traffic generators, driving times and other topographical features which clearly define contiguous areas like rivers, mountains, major freeways and underdeveloped land areas. Generally, a Designated Area will have a general trade area with a population base or business base of approximately 40,000.

During the term of the Franchise Agreement and provided you are in compliance with the terms and conditions of that Agreement, we will not (i) modify the Designated Area without your written permission, (ii) locate either a company-owned or franchised BIG AL'S STEAKS restaurant within the Designated Area, or (iii) establish a company-owned or another franchised business in the Designated Area under the Marks that offer the same menu items, products and services as your BIG AL'S STEAKS Restaurant, except for Merger/Acquisition Activity (as defined and described below).

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to sell products and Menu Items at any location other than the Authorized Location, except for any catering or delivery services we permit, (ii) any right to sell products and Menu Items to any person or entity for resale or further distribution, except as we may establish from time to time, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company- or affiliate-owned restaurants at any time or at any location outside the Designated Area.

Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned Restaurants at any location outside the Designated Area regardless of the proximity of such restaurants to your Designated Area;
- (ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or restaurants of any kind under other systems and/or other marks, which businesses and restaurants may convert to or operate under the Marks and may offer or sell menu items, products and services that are the same as or similar to the Menu Items offered at or from the Restaurant, and which may be located anywhere within or outside the Designated Area; and
- (iii) sell and distribute for ourselves and/or license others to sell and distribute through franchised businesses or any other method of distribution, within and outside the Designated Area, menu items the same as or different from the Menu Items offered under the System, and which are offered and distributed under marks different than the Trademarks.

In addition, we and our affiliates have the right to offer, sell or distribute, within and outside of the Designated Area, any proprietary items or other products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, except for retail food service Menu Items that are cooked or prepared to be served to the end user or customer for consumption at the retail location. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet.

Special Sites are excluded from the Designated Area and we have the right to develop or franchise the following Special Site locations—(1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) community and special events.

You must not offer catering and delivery services unless we authorize in writing. We and our affiliates may not engage in catering and delivery services within the Designated Area, unless originating from an affiliate-operated Special Site, as described above. Although we do not encourage other franchisees to cater or deliver in another franchisee's designated area, we have no obligation to enforce these prohibitions against any franchisee.

Continuation of your Designated Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not receive the right to acquire additional franchises within or outside of your Designated Area unless you sign another franchise agreement with us.

We do not restrict you from soliciting customers outside your Designated Area. You do not, however, have the right to use other channels of distribution to make sales outside your Designated Area.

You do not have the right to relocate your Restaurant without our prior written approval. If we allow you to relocate your Restaurant, you must do so at your cost, and we may require you to pay us a relocation fee, prior to you relocating your Restaurant, to cover our expenses in assisting with the relocation. We also may require you to sign our then-current form of franchise agreement as a condition of the relocation.

Area Development Agreement

If you and we enter into an Area Development Agreement requiring you to open and operate multiple BIG AL'S STEAKS Restaurants in a Development Territory, we will not develop or operate or grant anyone else a franchise to develop and operate a BIG AL'S STEAKS restaurant business (except for the Special Sites defined above) in the Development Territory prior to the earlier of (i) the expiration or termination of your Area Development Agreement; (ii) the date on which you must execute the Franchise Agreement for your last Restaurant pursuant to the terms of the Development Schedule or (iii) the date on which the Designated Area for your final Restaurant under this Agreement is determined. However, in the event that the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will expire upon the earliest of (1) any of the foregoing events or (2) the date when the Designated Area for your final Restaurant to be developed in such city, county or designated market area under the Area Development Agreement is determined. Notwithstanding anything in the Area Development Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory will expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, BIG AL'S STEAKS restaurants in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated. At the time you execute your final Franchise Agreement under the Development Schedule, you must have an Authorized Location for your final Restaurant. We determine the Development Territory in an Area Development Agreement using the same criteria that is used in deciding a Designated Area for one Restaurant. However, the Development Territory must be able to support the number of restaurants you intend to establish in that area. As a result, the Development Territory generally consists of a portion of a city, county or designated market area.

The rights and restrictions described above regarding what we and our affiliates can and cannot do in a franchisee's Designated Area for a single Restaurant are generally the same for the Development Territory set forth in an Area Development Agreement. In addition, we may terminate the Area Development Agreement if you (i) fail to exercise options to enter into Franchise Agreements with us within any period on the Development Schedule; (ii) fail to comply with any other terms and conditions of the Area Development Agreement; (iii) make or attempt to make a transfer or assignment in violation

of the Area Development Agreement; or (iv) fail to comply with the terms and conditions of any individual Franchise Agreement or of any other agreement to which you and we or our affiliates are parties.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses you to use the service mark BIG AL'S STEAKS, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the "Marks"). We also claim common law trademark rights for all of the Marks. We have filed or intend to file all required affidavits and renewals for the Marks listed below.

TRADEMARK	REGISTRATION DATE	REGISTRATION NUMBER
BIG AL'S STEAKS	August 11, 2009	3665951

On December 3, 2008, we received an Office Action from the U.S. Patent & Trademark Office regarding the registration of the Marks. The Office Action stated that the U.S. Patent & Trademark Office would not register the BIG AL'S STEAKS Mark because of a likelihood of confusion with the BIG AL'S BAR trademark, Registration No. 2213916. In order to obtain registration of the BIG AL'S STEAKS Mark, Big Al's Steaks, Inc. and SDF, Inc. of Rockford, Illinois ("SDF") (who had previously registered "BIG AL'S BAR" with the U.S. Patent & Trademark Office) entered into a Consent Agreement dated April 3, 2009, agreeing, among other things, that:

1. In return for payment from Big Al's Steaks, Inc., SDF provided its consent for Big Al's Steaks, Inc. to register and use the trademark "BIG AL'S STEAKS" nationally, with the exception of use within 50 miles of and including the city of Rockford, Illinois.

2. Big Al's Steaks agrees to never open a BIG AL'S STEAKS restaurant within and including 50 miles of the city of Rockford, Illinois.

We responded to the Office Action on April 20, 2009, which response included a copy of the Consent Agreement.

Our Affiliate, Big Al's Steaks, Inc., has licensed us the right to use the Marks and to sublicense the use of any of the Marks for the operation of a Restaurant under a license agreement dated April 29, 2009. The license agreement provides for unlimited, automatic renewals. Our Affiliate may terminate the license agreement if, among other things, we file bankruptcy or we or any BIG AL'S STEAKS franchisee materially misuse the Marks. The license agreement contains no other limitations.

Schedule C to your Franchise Agreement identifies the Marks that you are licensed to use. We have the right to change Schedule C from time to time. Your use of the Marks and any goodwill is to our and our Affiliate's exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new Menu Items, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply

within a reasonable time, at your expense, if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

Other than the Office Action noted above, there are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. Except for the terms of the Consent Agreement described above, there are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

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

There are no patents, patent applications or copyrights currently pending or registered that are material to the franchise, although we do claim copyright ownership and protection for our BIG AL'S STEAKS Franchise Agreement, Operations Manual, website and for various sales promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all trade secret and proprietary information, including the Operations Manual and the care and preparation of the Menu Items. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to any writing relating to the care and preparation of the Menu Items, the Operations Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Operations Manual at your cost.

All ideas, concepts, procedures, techniques or processes concerning the BIG AL'S STEAKS Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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

We recommend, but do not require, that during the term of the Franchise Agreement, you (if franchisee is an individual) or one of your owners (if franchisee is a legal entity) devote full time and best efforts to the management of the Restaurant and provide direct, on-site supervision of the Restaurant. You may, however, hire a manager to provide direct, on-site supervision of the Restaurant and/or assist you in the day-to-day operations of the Restaurant.

Any manager(s) or replacement manager(s) you hire must complete our training course. As described in Item 11, any manager(s) or replacement manager(s) you hire must be trained by us, or if your Restaurant is a training center, by you and pass our training test. If any person fails to satisfactorily complete the training program, you may designate a different individual, who must then satisfactorily complete the training program. The use of a manager in no way relieves you of your obligations to comply with the Franchise Agreement and to ensure that the Restaurant is properly operated.

You must attend any annual meeting, convention or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics, that we offer, at your own expense.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers and supervisory personnel and other employees receiving training from us must execute covenants not to compete in a form that we approve.

If you are a legal entity, each owner holding a 10% or more ownership interest in you must sign a personal guaranty in the form attached to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Item 8 of this Disclosure Document describes our requirements for approved supplies and suppliers. You must offer for sale at the Restaurant all of the Menu Items and related products that we periodically require and you may not offer at the Restaurant any unapproved products or use the premises for any purpose other than the operation of a Restaurant. We have the unlimited right to change the types of authorized products and services you may offer.

You must not install or maintain on the premises of the Restaurant any pool tables, video games, jukeboxes, gum machines, games, rides, vending machines, cigarette vending machines, gaming machines, games of chance or other similar devices.

You may not offer any delivery service or engage in catering services without our prior written approval. You also may not offer for sale any Menu Items or other products through the Internet or other online programming or marketing. See Item 12. You are not otherwise limited in the customers to whom you may sell products or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Agreement*	Summary
a.	Length of the term of the franchise	Section 4A Sections 2 and 4 and Appendix B to the Area Development Agreement	Term is 10 years. Term depends on the number of Restaurants to be developed under the Area Development Agreement as specifically set forth in Appendix B.
b.	Renewal or extension of the term	Section 4B	Renewal for 1 additional term of 10 years. No renewal rights under the Area Development Agreement.

	Provision	Section in Agreement*	Summary
c.	Requirements for you to renew or extend	Section 4B	<p>You give us written notice of your decision to renew at least 6 months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement; you have complied with the modernization requirements for your Restaurant; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Restaurant premises throughout the renewal term; you comply with our training requirements; you pay us, at the time of renewal, a \$5,000 renewal fee; and you sign a release.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
d.	Termination by you	Section 13C	<p>You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement.</p> <p>You do not have the right to terminate the Area Development Agreement.</p>
e.	Termination by us without cause	Section 2A	If you fail to locate a site for your Restaurant within 180 days after signing the Franchise Agreement, we may terminate the Franchise Agreement.
f.	Termination by us with cause	Sections 13A and 13B Section 7B of the Area Development Agreement	We can terminate the Franchise Agreement and Area Development Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Area Development Agreement contain cross-default provisions.
g.	“Cause” defined - defaults which can be cured	Sections 13A and 13B Section 7B of the Area Development Agreement	<p>You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below.</p> <p>You have 30 days to cure defaults not listed in (h) below.</p>

	Provision	Section in Agreement*	Summary
h.	“Cause” defined – defaults which cannot be cured	<p>Sections 2A, 5A, 5B, 5D, 9I, 13A, 13B and 15P</p> <p>Section 4C, 7B and 10N of the Area Development Agreement</p>	<p>Non-curable defaults include: any material misrepresentation or omission in your application for a franchise, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of the Restaurant, the closing of the Restaurant by the authorities for health or public safety reasons, failure to locate a site for your Restaurant within 180 days after signing the franchise agreement, unauthorized use of confidential information, your insolvency, unapproved assignments or transfers, defaults that materially impair the goodwill associated with any of the Marks, criminal convictions, intentionally (or unintentionally in two or more occasions) understating or underreporting Gross Sales or other fees, multiple defaults, you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system, or failure to cure within 24 hours of notice a default which violates any health, safety or sanitation law or regulation or any system standard as to food handling, cleanliness, health or sanitation.</p> <p>Non-curable defaults include: insolvency or general assignment for the benefit of creditors, appointment of a receiver of your property, a final judgment remains unsatisfied of record for 30 days or longer, execution is levied against your business or property, suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and is not dismissed or in the process of being dismissed within 30 days, failure to meet the Development Schedule, you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system, or notice of termination of a Franchise Agreement.</p>

	Provision	Section in Agreement*	Summary
i.	Your obligations on termination/non-renewal	Section 14A-14C Sections 8A-G of the Area Development Agreement	Obligations include complete de-identification and payment of amounts due, assignment of lease and telephone numbers upon our demand, return of Operations Manual and Confidential Information, proprietary materials and related writings, and right to purchase assets of the Restaurant (also see (o) and (r) below). You lose all remaining rights to develop Restaurants. Other obligations include those obligations noted above if existing Franchise Agreements also are terminated. We also may have the right to purchase assets of the Restaurants (see (o) below).
j.	Assignment of contract by us	Section 11G Section 9A of the Area Development Agreement	No restriction on our right to assign.
k.	“Transfer” by you – defined	Section 11A Section 9B of the Area Development Agreement	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement and Section 9B of the Area Development Agreement.
l.	Our approval of transfer by you	Section 11B Section 9B of the Area Development Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Sections 11B-11D Section 9B of the Area Development Agreement	Transferee meets all of our then-current requirements for new franchisees, transfer fee and any applicable training fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, transferee executes then current form of franchise agreement (modified to reflect that agreement relates to a transfer), required guarantees signed, necessary financial reports and other data on franchise business is prepared, release signed by you, full compliance of your obligations under all Franchise Agreements executed between you and us, and other conditions that we may reasonably require from time to time as part of our transfer policies (also see (r) below); provided that certain transfer conditions do not apply to transfers to immediate family members or among Owners. You cannot transfer rights under the Area Development Agreement unless you transfer all of your rights and interests under all Franchise Agreements.

	Provision	Section in Agreement*	Summary
n.	Our right of first refusal to acquire your business	Section 11F	We can match any offer for your Restaurant assets and, in the case of a proposed stock sale, we can purchase your Restaurant assets at a price determined by an appraiser, unless you and we agree otherwise.
o.	Our option to purchase your business	Section 14B Section 10F of the Area Development Agreement	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Qualified appraiser(s) will determine price as set forth in the Franchise Agreement. This right to purchase is qualified under the Area Development Agreement, depending on the number of Restaurants in the Development Territory and the reason for the termination of the Area Development Agreement.
p.	Your death or disability	Section 11E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 10D	Except as we otherwise agree to in writing, no direct or indirect involvement in the operation of any restaurant or food business other than the one authorized in the Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement in a Competing Business for 2 years (i) at the premises of the former Restaurant (ii) within 5 miles of the former Restaurant or (iii) within 5 miles of any other business or restaurant using the System. A Competing Business for purposes of the post-term non-compete includes any business where 5% or more of its sales include the sale of steak sandwiches on a submarine or hoagie roll.
s.	Modification of the Agreement	Section 15B Section 10C of the Area Development Agreement	No modifications generally, but we have the right to change the Operations Manual, list of authorized trademarks and menu.

	Provision	Section in Agreement*	Summary
t.	Integration/merger clause	Section 15B Section 10C of the Area Development Agreement	Only the terms of the Franchise Agreement are binding (subject to federal law). Any statements or promises not in the Franchise Agreement or this Disclosure Document should not be relied upon and may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12 Section 10M of the Area Development Agreement	Except for certain claims, all disputes must be arbitrated in the city closest to where our headquarters are located (currently, Delray Beach, Florida) (subject to state law).
v.	Choice of forum	Section 15I Section 10G of the Area Development Agreement	Litigation must be in the applicable federal or state court where our headquarters are located (currently, Florida) (subject to state law).
w.	Choice of law	Section 15H Section 10G.1 of the Area Development Agreement	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the State of Florida will govern any dispute (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alan Costilo at 450 E. Atlantic Avenue, Delray Beach, Florida 33483; (561) 819-0399, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2008 TO 2010

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2008	0	0	0
	2009	0	0	0
	2010	0	1	+1
Company-Owned	2008	2	2	0
	2009	2	2	0
	2010	2	2	0
Total Outlets	2008	2	2	0
	2009	2	2	0
	2010	2	3	+1

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2008 TO 2010

State	Year	Number of Transfers
Total	2008	0
	2009	0
	2010	0

TABLE NO. 3**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased operations Other Reasons	Outlets at End of the Year
Florida	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
Total	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1

Note: No franchised outlets are located in the States omitted from this table.

TABLE NO. 4**STATUS OF COMPANY-OWNED
OUTLETS FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Florida	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
Total	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2

Note: No company- or affiliate-owned outlets are located in the states omitted from this table.

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2010

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Florida	0	2	2
Total	0	2	2

Below is a list of our current franchisees:

Sempire C Corp.
1000 N. Congress Avenue, Suite M100
Boynton Beach, Florida 33436
(561) 424-0089

As of the date of this Disclosure Document, no franchisee has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or has not communicated with us within ten weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. We have not created, sponsored or endorsed any trademark-specific franchisee associations.

ITEM 21
FINANCIAL STATEMENTS

As noted in Item 1, we were first formed in October 2008. Attached to this Disclosure Document as Exhibit B are audited financial statements for the following time periods:

1. October 1, 2008 through December 31, 2008,
2. January 1, 2009 through December 31, 2009, and
3. January 1, 2010 through December 31, 2010.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following contracts:

Exhibit C - Franchise Agreement, including Schedules: A-BIG AL'S STEAKS Schedule A; B-Data Sheet; C-Trademarks; D-Addendum to Lease; E-Electronic Transfer of Fund Authorization; F-Promissory Note; Franchise Agreement Personal Guarantee and Acknowledgment Addendum.

Exhibit D - Area Development Agreement, including: Personal Guarantee; Appendix: A -Data Sheet; B-Description of Territory; C-Development Schedule; and Acknowledgment Addendum.

Exhibit F - Sample Release.

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit G is a detachable acknowledgment of receipt.

EXHIBIT A

LIST OF STATE AGENCIES

CALIFORNIA

California Commissioner of
Corporations
Department of Corporations
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: 1-866-275-2677

HAWAII

Commissioner of Securities of
the State of Hawaii
335 Merchant Street
Room 203
Honolulu, HI 96813

ILLINOIS

Attorney General State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Agent for Service of Process
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

State Administrator

Securities Commissioner
Indiana Securities Division
302 West Washington, Room E-
111
Indianapolis, Indiana 46204

MARYLAND

Agent to Receive Process
Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

State Authority

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Consumer Protection Division
Attn.: Franchise
670 Williams Building
Lansing, Michigan 48913

MINNESOTA

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

NEW YORK

Agent to Receive Process

Secretary of State
State of New York
162 Washington Avenue
Albany, New York 12231

State Administrator

New York State Department of
Law
Bureau of Investor Protection and
Securities
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Securities
Department
600 East Boulevard Avenue
State Capital Fifth Floor,
Dept. 414
Bismarck, North Dakota 58505
Telephone: (701)328-4712

RHODE ISLAND

Rhode Island Department of
Business Regulation
Securities Section
1511 Pontiac Avenue
John O. Pastore Center
Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

Division of Securities
State of South Dakota
445 E. Capitol Avenue
Pierre, SD 57501

VIRGINIA

Agent to Receive Process
Clerk of the State Corporation
Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

State Administrator

State Corporation Commission
Division of Securities and Retail
Franchise
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Director
Department of Financial
Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507

WISCONSIN

Division of Securities
Department of Financial
Institutions
345 W. Washington Avenue, 4th
Floor
Madison, Wisconsin 53703

EXHIBIT B
FINANCIAL STATEMENTS

BIG AL'S STEAKS A & S, INC.

FINANCIAL STATEMENTS

For Year Ended December 31, 2010

BIG AL'S STEAKS A & S, INC.

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Rosenberg, Smith, Cooney & Migliore, P.C.

Certified Public Accountants

Two Greenwood Square • 3331 Street Road, Suite 445 • Bensalem, PA 19020 • (215) 245-7777
3002-1 Lincoln Drive West • Marlton, NJ 08053 • (856) 988-0688

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Al's Steaks A & S, Inc.
Delray Beach, FL

We have audited the accompanying balance sheet of Big Al's Steaks A & S, Inc. as of December 31, 2010 and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Al's Steaks A & S, Inc. as of December 31, 2010 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Rosenberg, Smith, Cooney
& Migliore, P.C.*

February 28, 2011

BIG AL'S STEAKS A & S, INC.
BALANCE SHEET
December 31, 2010

ASSETS

CURRENT ASSETS

Cash	\$	3,892
Note receivable - current portion		15,288
Accrued revenue		664

TOTAL CURRENT ASSETS 19,844

OTHER ASSETS

Note receivable - long-term portion		12,212
-------------------------------------	--	--------

\$ 32,056

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Advances from stockholders	\$	33,400
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TOTAL CURRENT LIABILITIES 33,400

LONG TERM LIABILITIES

Notes payable - stockholder		209,522
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TOTAL LIABILITIES 242,922

STOCKHOLDERS' EQUITY (DEFICIT)

Issued capital stock - 1,000,000 shares authorized, 100,000 shares issued and outstanding \$0.01 par value		1,000
Additional paid-in-capital		2,000
Accumulated deficit		(213,866)

TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (210,866)

\$ 32,056

BIG AL'S STEAKS A & S, INC.
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2010

REVENUE	\$ 174,883
COST OF REVENUE	114,928
	<hr/>
	59,955
OPERATING EXPENSES	
Selling, general and administrative expenses	34,291
NET OPERATING INCOME	<hr/>
	25,664
OTHER EXPENSES	
Interest expense	6,541
NET INCOME	<hr/> <hr/>
	\$ 19,123

BIG AL'S STEAKS A & S, INC.
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 For the Year Ended December 31, 2010

	Common Stock	Additional Paid-in-Capital	Deficit Accumulated During the Development Stage	Total
Issued capital stock	\$ 1,000	\$ 2,000	\$ -	\$ 3,000
Accumulated deficit at beginning of year	-	-	(232,989)	(232,989)
Net income for year ended, December 31, 2010	-	-	19,123	19,123
Balance at December 31, 2010	<u>\$ 1,000</u>	<u>\$ 2,000</u>	<u>(213,866)</u>	<u>\$ (210,866)</u>

BIG AL'S STEAKS A & S, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Net income		\$	19,123
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation			-
Amortization			-
(Increase) decrease in:			
Note receivable			(27,500)
Accrued revenue			(664)
Prepaid expense			1,000
Increase (decrease) in:			
Accounts payable/exchange			(100)
Accrued interest			2,541
NET CASH USED BY OPERATING ACTIVITIES			(5,600)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from stockholders advances			26,000
Payments to stockholders advances			(17,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES			9,000
NET INCREASE IN CASH AND EQUIVALENTS			3,400
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD			492
CASH AND EQUIVALENTS AT END OF PERIOD		\$	3,892

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Income taxes		\$	-
Interest		\$	4,000

BIG AL'S STEAKS A & S, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

A. - Nature of Business:

Big Al's Steaks A & S, Inc. (the Company) is a Florida Corporation, organized in October 2008. The Company will franchise the right to open, operate, promote, arrange, and manage quick service restaurants utilizing the Big Al's Steaks System. Big Al's Steaks is a quick service restaurant offering Philadelphia steak sandwiches and similar "hoagie" submarine style sandwiches, hot dogs, French fries, beverages and products ("Menu Items"). Franchisees must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name Big Al's Steaks and other marks as we designate ("Marks"). Franchisees must operate their restaurant under the unique Big Al's Steaks system ("System"). The System is characterized by a distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which may change. Big Al's Steaks restaurants may range in size from 700 sq ft to 2,000 sq ft, depending on the location of the restaurant.

In order to ensure a uniform image and uniform quality of products and services throughout the Big Al's Steaks System, the franchisee must maintain and comply with the Company's quality standards. A franchisee must execute a standard form of Lease Addendum in connection with any lease for the location. In addition, it is the franchisee's responsibility to ensure that his or her building plans comply with the Americans with Disability Act and all other federal, state, and local laws. The franchisee must also use equipment (including hardware and software for his/her restaurant point-of-sale cash register system), signage, fixtures, furnishings, products, ingredients, supplies, and advertising materials that meet the Company's specifications and standards.

A franchisee must purchase his initial equipment and other similar preopening items from the Company. The Company will derive revenue from the purchase of these items. In addition, a franchisee must purchase ongoing equipment and supplies only from approved suppliers as noted in their Franchise Disclosure Document. Additionally, the franchisee must purchase sliced rib eye steak, and other proprietary Big Al's Steaks products and ingredients and certain other specialty products only from Company designated suppliers.

The Company will provide the franchisee with a list of approved manufacturers, suppliers, and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Big Al's Steaks restaurant. The Approved Suppliers List may specify the specific manufacturer or supplier of a specific product or piece of equipment. The Company reserves the right to designate a primary or single source of supply for certain products and supplies, and it or an affiliate may be that single source. For example, the Company may require the franchisee to serve only Coca-Cola soft drinks, juices, bottled water, and other

BIG AL'S STEAKS A & S, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

beverages. The list also may include other specifications and/or standards for other approved products.

The Company reserves the right to receive rebates or other consideration from suppliers in connection with the franchises purchase of goods, products, and services now, as well as in connection with any future purchase of any goods, products, or services. The Company may also derive revenue from items it sells directly to the franchises by charging the franchises more than its costs.

The Company may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. It may receive volume discounts for the System which will pass through to the franchise restaurants. Beyond these discounts, the Company does not provide material benefits to the franchisee because of its use of approved suppliers.

The estimated initial investment to open a Big Al's Steaks restaurant ranges from \$300,000 to \$450,000. The estimated initial investment includes the equipment, the Big Al's Steaks System, signage, interior design, interior decoration, menu package, and delivery and installation of all equipment, the monies due the landlord at the location of the franchisees choosing, such as pro rata rent in advance, security deposit, and insurance minimums, along with the cost of construction and leasehold improvements and design features. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisees control. The cost of construction and leasehold improvements depends upon the size and condition of the premises, the nature and extent of the required leasehold improvements, the local cost of contract work, and the geographic location of the restaurant. Costs paid to others include workers compensation insurance premiums, fees for licenses and permits, travel and living expenses to attend the Company's orientation and training sessions (for additional trainee), initial inventory, and grand opening costs, as well as a sum sufficient to cover certain estimated expenses for a 90 day period after the restaurant opening.

All applicants pay a \$5,500 initial franchise deposit upon completion of franchise application, and \$22,000 upon signing the franchise agreement. The \$5,500 deposit is refundable if a franchisee does not sign a franchise agreement.

The initial term of the franchise is 120 months. The initial term may be renegotiated if the length of the lease warrants. Renewal of the franchise agreement requires a fee of \$5,000. No automatic right to renewal should be contemplated or expected.

There is no monthly franchise fee. There is a royalty payment of 6% of gross sales and a 2% of gross sales marketing fee, both of which are collected weekly by ACH transfer.

BIG AL'S STEAKS A & S, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

B. - Significant Accounting Policies:

Method of Accounting:

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents:

For the purposes of the statements of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising Costs:

Advertising costs are expensed as incurred.

Revenue Recognition:

Revenue from the sale of franchises is recorded upon finalization of the franchise agreement and completion of services under the contract related to opening of the restaurant. For the year ended December 31, 2010, there was one franchise sold.

Income Taxes:

The company, with the consent of its shareholder, has elected under the Internal Revenue Code to be an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

C. - Concentration of Credit Risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and trade notes receivable. The Company maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation. The Company had no uninsured cash balances at December 31, 2010.

The Company performs ongoing credit evaluations of its franchisees. One franchisee represented \$174,883 or 100% of revenue for the year ended December 31, 2010, and this same franchisee represented \$27,500 or 100% of the Company's note receivable as of December 31, 2010.

BIG AL'S STEAKS A & S, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

D. – Fair Values of Financial Instruments:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Foundation has the ability to access.
- Level 2 inputs are inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

At December 31, 2010, the carrying value of cash and cash equivalents approximates fair value. At the end of the year the Company determined the fair value of its note receivable using the fair value hierarchy Level 3 to be \$27,500.

E. - Notes Payable - Stockholder:

The Company has a promissory note with a stockholder in the amount of \$200,000. Interest is charged on the unpaid balance at rate of 3.16%. The note is unsecured. The note is to be repaid at the rate of \$4,000 for each franchise sold. All payments will be applied first to accrued interest due then unpaid principal. The total outstanding balance was \$209,522 including \$9,522 of accrued interest as of December 31, 2010. Interest expense on the note was \$6,541 and payments were \$4,000 during the year ended December 31, 2010.

BIG AL'S STEAKS A & S, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

F. - Transactions with Related Parties:

During the year ended December 31, 2010, the Company received advances from its shareholders in the amount of \$26,000 and made payments against the advances in the amount of \$17,000. The advances are unsecured and do not bear interest. The advances are anticipated to be repaid in the next twelve months. The outstanding balance was \$33,400 as of December 31, 2010.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

For Year Ended December 31, 2009

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)

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Rosenberg, Smith, Cooney & Migliore, P.C.

Certified Public Accountants

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3002-I Lincoln Drive West • Marlton, NJ 08053 • (856) 988-0688

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Al's Steaks A & S, Inc.
Delray Beach, FL

We have audited the accompanying balance sheet of Big Al's Steaks A & S, Inc. (a development stage company) as of December 31, 2009 and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Al's Steaks A & S, Inc. as of December 31, 2009 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Rosenberg, Smith, Cooney
& Migliore, P.C.*

April 2, 2010

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
BALANCE SHEET
December 31, 2009

ASSETS

CURRENT ASSETS

Cash	\$	492
Prepaid Expenses		1,000

TOTAL CURRENT ASSETS		1,492
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	\$	1,492
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LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Exchange	\$	100
Advances from Stockholders		24,400

TOTAL CURRENT LIABILITIES		24,500
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LONG TERM LIABILITIES

Notes Payable - Stockholder		206,981
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TOTAL LIABILITIES		231,481
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STOCKHOLDERS' EQUITY (DEFICIT)

Issued Capital Stock - 1,000,000 shares authorized, 100,000 shares issued and outstanding \$0.01 par value		1,000
Additional paid-in-capital		2,000
Accumulated deficit		(232,989)

TOTAL STOCKHOLDERS' EQUITY (DEFICIT)		(229,989)
--------------------------------------	--	-----------

	\$	1,492
--	----	-------

DIGAL STEAKS A & S, INC.
(A Development Stage Company)
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2009

REVENUE	
Sale of franchises	\$ -
OPERATING EXPENSES	
Selling, general and administrative expenses	56,477
NET OPERATING LOSS	<u>(56,477)</u>
OTHER EXPENSES	
Interest expense	(6,160)
PROVISION FOR INCOME TAXES	-
NET LOSS	<u><u>\$ (62,637)</u></u>

BIG AL'S STEAKS A & S, INC.
 (A Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 For the Year Ended December 31, 2009

	Common Stock	Additional Paid-in-Capital	Deficit Accumulated During the Development Stage	Total
Issued Capital Stock	\$ 1,000	\$ 2,000	\$ -	\$ 3,000
Retained Earnings at Beginning of Year				
As previously reported	-	-	(139,007)	(139,007)
Prior period adjustment	-	-	(31,345)	(31,345)
Balance at Beginning of Year, as restated	-	-	(170,352)	(170,352)
Net Loss for Year Ended, December 31, 2009	-	-	(62,637)	(62,637)
Balance at December 31, 2009	<u>\$ 1,000</u>	<u>\$ 2,000</u>	<u>\$ (232,989)</u>	<u>\$ (229,989)</u>

DIGITAL STERIS A & S, INC.
(A Development Stage Company)
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (62,637)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	-
Amortization	-
(Increase) decrease in:	
Prepaid expense	(1,000)
Increase (decrease) in:	
Accounts payable/exchange	(32,275)
Accrued interest	6,160
NET CASH USED BY OPERATING ACTIVITIES	<u>(89,752)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from note payable - stockholder	50,000
Proceeds from stockholders advances	24,400
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>74,400</u>
NET DECREASE IN CASH AND EQUIVALENTS	<u>(15,352)</u>
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	15,844
CASH AND EQUIVALENTS AT END OF PERIOD	<u><u>\$ 492</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Income taxes	<u><u>\$ -</u></u>
Interest	<u><u>\$ -</u></u>

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

A. - Nature of Business:

Big Al's Steaks A & S, Inc. (the Company) is a Florida Corporation, organized in October 2008. The Company will franchise the right to open, operate, promote, arrange, and manage quick service restaurants utilizing the Big Al's Steaks System. Big Al's Steaks is a quick service restaurant offering Philadelphia steak sandwiches and similar "hoagie" submarine style sandwiches, hot dogs, French fries, beverages and products ("Menu Items"). Franchisees must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name Big Al's Steaks and other marks as we designate ("Marks"). Franchisees must operate their restaurant under the unique Big Al's Steaks system ("System"). The System is characterized by a distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which may change. Big Al's Steaks restaurants may range in size from 700 sq ft to 2,000 sq ft, depending on the location of the restaurant.

In order to ensure a uniform image and uniform quality of products and services throughout the Big Al's Steaks System, the franchisee must maintain and comply with the Company's quality standards. A franchisee must execute a standard form of Lease Addendum in connection with any lease for the location. In addition, it is the franchisee's responsibility to ensure that his or her building plans comply with the Americans with Disability Act and all other federal, state, and local laws. The franchisee must also use equipment (including hardware and software for his/her restaurant point-of-sale cash register system), signage, fixtures, furnishings, products, ingredients, supplies, and advertising materials that meet the Company's specifications and standards.

A franchisee must purchase his initial equipment and other similar preopening items from the Company. The Company will derive revenue from the purchase of these items. In addition, a franchisee must purchase ongoing equipment and supplies only from approved suppliers as noted in their Franchise Disclosure Document. Additionally, the franchisee must purchase sliced rib eye steak, and other proprietary Big Al's Steaks products and ingredients and certain other specialty products only from Company designated suppliers.

The Company will provide the franchisee with a list of approved manufacturers, suppliers, and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Big Al's Steaks restaurant. The Approved Suppliers List may specify the specific manufacturer or supplier of a specific product or piece of equipment. The Company reserves the right to designate a primary or single source of supply for certain products and supplies, and it or an affiliate may be that single source. For example, the Company may require the

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

franchisee to serve only Coca-Cola soft drinks, juices, bottled water, and other beverages. The list also may include other specifications and/or standards for other approved products.

The Company reserves the right to receive rebates or other consideration from suppliers in connection with the franchise purchase of goods, products, and services now, as well as in connection with any future purchase of any goods, products, or services. The Company may also derive revenue from items it sells directly to the franchisees by charging the franchisees more than its costs.

The Company may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. It may receive volume discounts for the System which will pass through to the franchise restaurants. Beyond these discounts, the Company does not provide material benefits to the franchisee because of its use of approved suppliers.

The estimated initial investment to open a Big Al's Steaks restaurant ranges from \$300,000 to \$450,000. The estimated initial investment includes the equipment, the Big Al's Steaks System, signage, interior design, interior decoration, menu package, and delivery and installation of all equipment, the monies due the landlord at the location of the franchisees choosing, such as pro rata rent in advance, security deposit, and insurance minimums, along with the cost of construction and leasehold improvements and design features. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisees control. The cost of construction and leasehold improvements depends upon the size and condition of the premises, the nature and extent of the required leasehold improvements, the local cost of contract work, and the geographic location of the restaurant. Costs paid to others include workers compensation insurance premiums, fees for licenses and permits, travel and living expenses to attend the Company's orientation and training sessions (for additional trainee); initial inventory, and grand opening costs, as well as a sum sufficient to cover certain estimated expenses for a 90 day period after the restaurant opening.

All applicants pay a \$5,500 initial franchise deposit upon completion of franchise application, and \$22,000 upon signing the franchise agreement. The \$5,500 deposit is refundable if a franchisee does not sign a franchise agreement.

The initial term of the franchise is 120 months. The initial term may be renegotiated if the length of the lease warrants. Renewal of the franchise agreement requires a fee of \$5,000. No automatic right to renewal should be contemplated or expected.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

There is no monthly franchise fee. There is a royalty payment of 6% of gross sales and a 2% of gross sales marketing fee, both of which are collected weekly by ACH transfer.

B. - Significant Accounting Policies:

Method of Accounting:

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents:

For the purposes of the statements of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising Costs:

Advertising costs are expensed as incurred.

Revenue Recognition:

Revenue from the sale of franchises is recorded upon finalization of the franchise agreement and completion of services under the contract related to opening of the restaurant. For the year ended December 31, 2009, there was no revenue.

Income Taxes:

The company, with the consent of its shareholder, has elected under the Internal Revenue Code to be an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Fair Value of Financial Instruments:

The carrying value of cash, prepaid expenses and accounts payable approximates fair value due to the short maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on discounting the projected cash flows using market rates available for similar maturities. None of the financial instruments are held for trading purposes.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

C. - Notes Payable - Stockholder:

The Company has a promissory note with a stockholder in the amount of \$200,000. Interest is charged on the unpaid balance at rate of 3.16%. The note is unsecured. The note is to be repaid at the rate of \$4,000 for each franchise sold. All payments will be applied first to accrued interest due then unpaid principal. The total outstanding balance was \$206,981 including \$6,981 of accrued interest as of December 31, 2009.

D. - Transactions with Related Parties:

The Company has paid \$30,000 to Big Al's Steaks of Delray, Inc., an affiliated company for the year ended December 31, 2008, for franchise development services.

During the year ended December 31, 2009, the Company received advances from its shareholders in the amount of \$24,400. The advances are unsecured and do not bear interest. The advances are anticipated to be repaid in the next twelve months.

E. - Prior Period Adjustment:

During the year ended December 31, 2009, the Company discovered an error made in the prior period. A deferred tax asset in the amount of \$31,345 was recognized on the financial statements to account for the future tax benefits of the prior period's net loss. The Company made a retroactive sub-chapter S election when it filed its federal corporate income tax return for the year. The adjustment related to the correction of this error resulted in an increase to Accumulated Deficit of \$31,345 as of December 31, 2008 and an increase in net loss in the prior period of \$31,345.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

For the Period from Inception (October 9, 2008) through DECEMBER 31, 2008

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)

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Rosenberg, Smith, Cooney & Migliore, P.C.

Certified Public Accountants

Two Greenwood Square • 3331 Street Road, Suite 445 • Bensalem, PA 19020 • (215) 245-7777
3002-I Lincoln Drive West • Marlton, NJ 08053 • (856) 988-0688

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Al's Steaks A & S, Inc.
Delray Beach, FL

We have audited the accompanying balance sheet of Big Al's Steaks A & S, Inc. (a development stage company) as of December 31, 2008 and the related statements of operations, changes in stockholders' equity, and cash flows for the period from inception (October 9, 2008) through December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects; the financial position of Big Al's Steaks A & S, Inc. as of December 31, 2008 and the results of its operations and its cash flows for the period from inception (October 9, 2008) through December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

*Rosenberg, Smith, Cooney
& Migliore, P.C.*

April 10, 2009

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
BALANCE SHEET
December 31, 2008

ASSETS

CURRENT ASSETS

Cash	\$	15,844
Deferred income taxes		31,345

TOTAL CURRENT ASSETS 47,189

\$ 47,189

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	32,375
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TOTAL CURRENT LIABILITIES 32,375

LONG TERM LIABILITIES

Notes Payable - stockholder		150,821
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TOTAL LIABILITIES 183,196

STOCKHOLDERS' EQUITY (DEFICIT)

Issued Capital Stock - 1,000,000 shares authorized, 100,000 shares issued and outstanding \$0.01 par value		1,000
Additional paid-in-capital		2,000
Accumulated deficit		(139,007)

TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (136,007)

\$ 47,189

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
STATEMENT OF OPERATIONS
For the Period from Inception (October 9, 2008) through December 31, 2008

REVENUE

Sale of franchises \$ -

OPERATING EXPENSES

Selling, general and administrative expenses 169,531

NET OPERATING LOSS (169,531)

OTHER EXPENSES

Interest expense (821)

PROVISION FOR INCOME TAXES

Deferred tax benefit 31,345

NET LOSS \$ (139,007)

BIG AL'S STEAKS A & S, INC.
 (A Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 For the Period from Inception (October 9, 2008) through December 31, 2008

	Common Stock	Additional Paid-in-Capital	Deficit Accumulated During the Development Stage	Total
Issuance of 100,000 shares of common stock for cash	\$ 1,000	\$ 2,000	\$ -	\$ 3,000
Net loss for the period from inception (October 9, 2008) through December 31, 2008	-	-	(139,007)	(139,007)
Balance at December 31, 2008	<u>\$ 1,000</u>	<u>\$ 2,000</u>	<u>\$ (139,007)</u>	<u>\$ (136,007)</u>

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
STATEMENT OF CASH FLOWS

For the Period from Inception (October 9, 2008) through December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (139,007)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	-
Amortization	-
(Increase) decrease in:	
Deferred tax asset	(31,345)
Increase (decrease) in:	
Accounts payable	32,375
Accrued interest	821
NET CASH USED BY OPERATING ACTIVITIES	<u>(137,156)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from note payable - stockholder	150,000
Proceeds from issuance of common stock	3,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>153,000</u>
NET INCREASE IN CASH AND EQUIVALENTS	<u>15,844</u>
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-
CASH AND EQUIVALENTS AT END OF PERIOD	<u><u>\$ 15,844</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Income taxes	<u>\$ -</u>
Interest	<u>\$ -</u>

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

A. - Nature of Business:

Big Al's Steaks A & S, Inc. (the Company) is a Florida Corporation, organized in October 2008. The Company will franchise the right to open, operate, promote, arrange, and manage quick service restaurants utilizing the Big Al's Steaks System. Big Al's Steaks is a quick service restaurant offering Philadelphia steak sandwiches and similar "hoagie" submarine style sandwiches, hot dogs, French fries, beverages and products ("Menu Items"). Franchisees must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name Big Al's Steaks and other marks as we designate ("Marks"). Franchisees must operate their restaurant under the unique Big Al's Steaks system ("System"). The System is characterized by a distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which may change. Big Al's Steaks restaurants range in size from 700 sq ft to 1800 sq ft, depending on the location of the restaurant.

In order to ensure a uniform image and uniform quality of products and services throughout the Big Al's Steaks System, the franchisee must maintain and comply with the Company's quality standards. A franchisee must execute a standard form of Lease Addendum in connection with any lease for the location. In addition, it is the franchisee's responsibility to ensure that his or her building plans comply with the Americans with Disability Act and all other federal, state, and local laws. The franchisee must also use equipment (including hardware and software for his/her restaurant point-of-sale cash register system), signage, fixtures, furnishings, products, ingredients, supplies, and advertising materials that meet the Company's specifications and standards.

A franchisee must purchase his initial equipment and other similar preopening items from the Company. The Company will derive revenue from the purchase of these items. In addition, a franchisee must purchase ongoing equipment and supplies only from approved suppliers as noted in their Franchise Disclosure Document. Additionally, the franchisee must purchase sliced rib eye steak, and other proprietary Big Al's Steaks products and ingredients and certain other specialty products only from Company designated suppliers.

The Company will provide the franchisee with a list of approved manufacturers, suppliers, and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Big Al's Steaks restaurant. The Approved Suppliers List may specify the specific manufacturer or supplier of a specific product or piece of equipment. The Company reserves the right to designate a primary or single source of supply for certain products and supplies, and it or an affiliate may be that single source. For example, the Company may require the franchisee to serve only Coca-Cola soft drinks, juices, bottled water, and other

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

beverages. The list also may include other specifications and/or standards for other approved products.

The Company reserves the right to receive rebates or other consideration from suppliers in connection with the franchises purchase of goods, products, and services now, as well as in connection with any future purchase of any goods, products, or services. The Company may also derive revenue from items it sells directly to the franchises by charging the franchises more than its costs.

The Company may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. It may receive volume discounts for the System which will pass through to the franchise restaurants. Beyond these discounts, the Company does not provide material benefits to the franchisee because of its use of approved suppliers.

The estimated initial investment to open a Big Al's Steaks restaurant ranges from \$50,000 to \$130,000. The estimated initial investment includes the equipment, the Big Al's Steaks System, signage, interior design, interior decoration, menu package, and delivery and installation of all equipment and design features (except the walk-in box electrical and mechanical installation). Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisees control. Other items required will be the monies due the landlord at the location of the franchisees choosing, such as pro rata rent in advance, security deposit, and insurance minimums, along with the cost of construction and leasehold improvements. The cost of construction and leasehold improvements depends upon the size and condition of the premises, the nature and extent of the required leasehold improvements, the local cost of contract work, and the geographic location of the restaurant. Costs paid to others include workers compensation insurance premiums, fees for licenses and permits, travel and living expenses to attend the Company's orientation and training sessions, initial inventory, and grand opening costs, as well as a sum sufficient to cover certain estimated expenses for a 90 day period after the restaurant opening.

All applicants pay a \$5,500 initial franchise deposit upon completion of franchise application, and \$22,000 upon signing the franchise agreement. The \$5,500 deposit is refundable if a franchisee does not sign a franchise agreement.

The initial term of the franchise is 120 months. The initial term may be renegotiated if the length of the lease warrants. Renewal of the franchise agreement requires a fee of \$5,000. No automatic right to renewal should be contemplated or expected.

There is no monthly franchise fee. There is a royalty payment of 6% of gross sales and a 2% of gross sales marketing fee, both of which are collected weekly by ACH transfer.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. - Significant Accounting Policies:

Method of Accounting:

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents:

For the purposes of the statements of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising Costs:

Advertising costs are expensed as incurred.

Revenue Recognition:

Revenue from the sale of franchises is recorded upon finalization of the franchise agreement and completion of services under the contract related to opening of the restaurant. For the period from inception (October 9, 2008) through December 31, 2008, there was no revenue.

C. - Notes Payable - Stockholder:

The Company has a promissory note with a stockholder in the amount of \$200,000. Interest is charged on the unpaid balance at rate of 3.16%. The note is unsecured. The note is to be repaid at the rate of \$4,000 for each franchise sold. All payments will be applied first to accrued interest due then unpaid principal. The total outstanding balance was \$150,821 including \$821 of accrued interest as of December 31, 2008.

D. - Transactions with Related Parties:

The Company has paid \$40,000 to Big Al's Steaks of Delray, Inc., an affiliated company for the period from inception (October 9, 2008) through December 31, 2008, for franchise development services.

BIG AL'S STEAKS A & S, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. – Income Taxes:

The Company recognizes deferred tax assets and liabilities based on the future tax consequences of events that have been included in the financial statements or tax returns. The differences relate primarily to Start-up Costs amortized over 15 years for income tax purposes. Deferred tax assets and liabilities are calculated based on the difference between the financial reporting and tax bases of assets and liabilities using the current enacted tax rates in effect during the years in which the differences are expected to reverse. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate.

EXHIBIT C

FRANCHISE AGREEMENT WITH SCHEDULES: A-BIG AL'S STEAKS SCHEDULE A;
B-DATA SHEET; C-TRADEMARKS; D-ADDENDUM TO LEASE; E-ELECTRONIC
TRANSFER OF FUND AUTHORIZATION; F-PROMISSORY NOTE; FRANCHISE
AGREEMENT PERSONAL GUARANTEE AND ACKNOWLEDGMENT ADDENDUM.

BIG AL'S STEAKS® Franchise Agreement

Big Al's Steaks A & S, Inc.
450 E. Atlantic Avenue
Delray Beach, Florida 33483

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BIG AL'S STEAKS® FRANCHISE AGREEMENT

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SCHEDULES

- A. BIG AL'S STEAKS Schedule A
- B. Data Sheet
- C. Trademarks
- D. Addendum to Lease
- E. Electronic Transfer of Funds Authorization
- F. Promissory Note

BIG AL'S STEAKS® FRANCHISE AGREEMENT

This Franchise Agreement is made this ____ day of _____, 20____ between Big Al's Steaks A & S, Inc., a Florida corporation with its principal business located at 450 E. Atlantic Avenue, Delray Beach, Florida 33483 ("we" or "us"), and "Franchisee" or "you" as identified on the Data Sheet attached as Schedule B (the "Data Sheet"). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners.

RECITALS

A. We have developed a unique system for a quick service restaurant that features Philadelphia steak sandwiches and similar "hoagie" submarine-style sandwiches, hot dogs, French fries, and other products, beverages and services using certain standards and specifications;

B. Many of the food and beverage products are prepared according to specified recipes and procedures;

C. Our Affiliate, Big Al's Steaks, Inc. ("Affiliate") owns the BIG AL'S STEAKS Trademark and other trademarks used in connection with the operation of a BIG AL'S STEAKS restaurant;

D. Our Affiliate has granted us the right to sublicense the right to develop and operate BIG AL'S STEAKS Restaurants;

E. You desire to develop and operate a BIG AL'S STEAKS restaurant; and

F. We have agreed to grant you a franchise subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. "Gross Sales" includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, whether under any of the Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Restaurant or on its premises as well as all license and use fees. Gross Sales excludes sales taxes.

B. "Menu Items" means the Philadelphia steak sandwiches, and similar "hoagie" submarine-style sandwiches, hot dogs, French fries, beverages and other products prepared according to our specified recipes and procedures, as we may modify and change from time to time.

C. "Manual" or "Operations Manual" means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for your BIG AL'S STEAKS Restaurant, all of which we may change from time to time.

D. "Principal Owner" means any person or entity who, now or hereafter, directly or indirectly owns a 51% or greater interest in the franchisee when the franchisee is a corporation, limited liability company, or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage of ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Your Principal Owner(s) are identified on the Data Sheet. Every time there is a change in the persons who are your Principal Owners, you must, within 10 days from the date of each such change, update the Data Sheet. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

E. "Restaurant" means the BIG AL'S STEAKS Restaurant you develop and operate pursuant to this Agreement.

F. "System" means the BIG AL'S STEAKS System, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

G. "Trademarks" means the BIG AL'S STEAKS Trademark and Service Mark that have been registered in the United States and elsewhere and the trademarks, service marks and trade names set forth on Schedule C, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurant. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Restaurant from time to time.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location. We grant to you the right and license to establish and operate a retail Restaurant identified by the BIG AL'S STEAKS Trademarks or such other marks as we may direct, at the location identified on the Data Sheet, which location must be designated within 180 days from the date of this Agreement (the "Authorized Location"). When a location has been designated by you and approved by us, it will become part of this subparagraph 2.A as if originally stated. If an Authorized Location is not designated by you and approved by us within 180 days from the date of this Agreement, we may terminate this Agreement or grant you an extension of time to locate an Authorized Location. You accept the license and undertake the obligation to operate the Restaurant at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Designated Area. You must locate and operate the Restaurant at an Authorized Location within the area described in the Data Sheet (the "Designated Area"). We and our affiliates will not locate and operate or grant to anyone else a franchise to locate and operate a BIG AL'S STEAKS restaurant within the Designated Area so long as this Agreement is in effect, except as provided in subparagraph 2.D. You do not have any right to sublicense or subfranchise within or outside of the Designated Area and do not have the right to operate more than one Restaurant within the Designated Area.

C. Opening. You agree that the Restaurant will be open and operating in accordance with the requirements of subparagraph 5.A within 12 to 18 months from the date of this Agreement, unless we authorize in writing an extension of time.

D. Nonexclusivity; Our Reservation of Rights. The license is limited to the right to develop and operate one Restaurant at the Authorized Location located in the Designated Area.

During the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Designated Area without your written permission, (ii) locate either a company-owned or franchised BIG AL'S STEAKS restaurant within the Designated Area, or (iii) establish a company-owned or another franchised business in the Designated Area under Marks that offer the same menu items, products and services as your BIG AL'S STEAKS Restaurant, except for Merger/Acquisition Activity (as defined and described below). The license granted to you does not, however, include (i) any right to sell products and Menu Items identified by the Trademarks at any location other than the Authorized Location, except for authorized catering and delivery services as noted in subparagraph 2.E, or through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), (ii) any right to sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution, except as we may designate in writing, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned restaurants at any time or at any location outside the Designated Area. You acknowledge that the consumer service area or trade area of another BIG AL'S STEAKS restaurant may overlap with your Designated Area.

We retain all rights that are not expressly granted to you under this Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(i) establish and/or license others to establish franchised or company-owned Restaurants at any location outside the Designated Area regardless of the proximity of such restaurants to your Designated Area;

(ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or restaurants of any kind under other systems and/or marks, which businesses and restaurants may convert to or operate under the Trademarks and may offer or sell menu items, products and services that are the same as or similar to the Menu Items offered at or from the Restaurant, and which may be located anywhere within or outside the Designated Area; and

(iii) sell and distribute for ourselves and/or license others to sell and distribute through franchised businesses or any other method of distribution, within and outside the Designated Area, menu items the same as or different from the Menu Items offered under the System, and which are offered and distributed under marks different than the Trademarks.

We and our affiliates have the right to offer, sell or distribute, within and outside the Designated Area, any frozen, pre-packaged items or other products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names through any distribution channels or methods, without compensation to any franchisee. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office

building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

You acknowledge and agree that certain locations within and outside the Designated Area are by their nature unique and separate in character from sites generally developed as BIG AL'S STEAKS restaurants. As a result, you agree that the following locations ("Special Sites") are excluded from the Designated Area and we have the right to develop or franchise such locations: (1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) community and special events.

E. Catering and Delivery. You may not engage in catering and delivery services and activities within or outside of the Designated Area, unless we authorize you in writing, as further described in subparagraph 6.L. We and our affiliate companies will not engage in catering and delivery services and activities in the Designated Area. Although we do not encourage other franchisees to cater or deliver in another franchisee's designated area, we have no obligation to enforce these prohibitions against any franchisee.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our Affiliate's property and it has licensed the use of the Trademarks to us with the right to sublicense to you and others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our Affiliate's valuable property, and it is the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Restaurant and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our Affiliate's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our and our Affiliate's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Restaurant except those set forth in Schedule C or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, mode and condition of storage, production, preparation and sale, and portion and packaging.

C. Restaurant Identification. You must use the name BIG AL'S STEAKS as the trade name of the Restaurant and you may not use any other mark or words to identify the Restaurant without our prior written consent. You may not use any of the words BIG, AL'S or STEAKS or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Trademarks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Trademarks on the materials as we prescribe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other

trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Restaurant identifying you as a BIG AL'S STEAKS franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Restaurant and that the BIG AL'S STEAKS Trademark is owned by our Affiliate and your use is under a license we have issued to you. All your internal and external signs must comply at all times with our outdoor/indoor guidelines and practices, as they are modified from time to time.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks, at your expense.

F. Creative Works. All ideas, concepts, techniques, or materials concerning the BIG AL'S STEAKS Restaurant, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement is 10 years, unless this Agreement is sooner terminated in accordance with Paragraph 13. The initial term commences upon the Effective Date (as defined in subparagraph 15.Q) of this Agreement. We may extend this initial term in writing for a limited period of time not to exceed 6 months to take into account the term of any applicable lease for the Authorized Location.

B. Renewal Term and Conditions of Renewal. You may renew your license for 1 renewal term of 10 years, provided that with respect to each renewal: (i) you have given us written notice of your decision to renew at least 6 months but not more than 12 months prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect no additional renewal term upon expiration and other modifications to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) you have complied with the provisions of subparagraph 5.E regarding modernization and you perform any further items of modernization and/or replacement of the

building, premises, trade dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards then applicable to new BIG AL'S STEAKS restaurants, regardless of the cost of such modernizations and/or replacements; (iv) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (v) if leasing the Restaurant premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; (vi) you comply with our then-current training requirements; (vii) you pay us, at least 30 days prior to the end of the expiring term, a renewal fee in the amount of \$5,000; and (viii) you and your Principal Owner(s) and guarantors execute a general release of claims in a form we prescribe.

C. Interim Period. If you do not exercise your right to renew this Franchise Agreement prior to the expiration of this Agreement and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

FACILITY STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of BIG AL'S STEAKS restaurants to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Restaurant Facility; Site Under Control. You are responsible for purchasing or leasing a site that meets our site selection guidelines. We must consent to the site in writing. You may not use the Restaurant premises or Authorized Location for any purpose other than the operation of a BIG AL'S STEAKS Restaurant during the term of this Agreement or any Interim Period. We make no guarantees concerning the success of the Restaurant located on any site to which we consent.

You may not open your Restaurant for business until we have notified you in writing that you have satisfied your pre-opening obligations as set forth in subparagraphs 5.A and 5.B and we have consented to your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under subparagraph 12.C for your failure to comply with your obligations.

In the event that you plan to enter into any type of lease for the Restaurant premises, you and your landlord must sign the Lease Addendum attached as Schedule D. We recommend you submit the Lease Addendum to the landlord at the beginning of your lease review and negotiation, although the terms of the Lease Addendum may not be negotiated without our prior approval. If the landlord requires us to negotiate the Lease Addendum, we reserve the right to charge you a fee, which will not exceed our actual costs associated with the negotiation. You must provide us a copy

of the executed lease and Lease Addendum within 5 days of its execution. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the Restaurant premises.

You must execute, and provide us an executed copy of your lease (including an executed copy of the Lease Addendum) or the purchase agreement for the selected and approved site for your Restaurant within 180 days from the date of execution of this Agreement. If you fail to have your "site under control" (execute the lease or the purchase agreement within the timeframe set forth in this subparagraph), we will have the right to terminate this Agreement without opportunity to cure pursuant to subparagraph 13.B.2.

B. Construction; Future Alteration. You must construct and equip the Restaurant in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, and design and layout of the building. You may not commence construction of the Restaurant until you have received our written consent to your building plans.

Without limiting the generality of the prior paragraph, you must promptly after obtaining possession of the site for the Restaurant: (i) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our general atmosphere, image, color scheme and décor requirements as set forth from time to time in the manuals for a BIG AL'S STEAKS restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating); (ii) purchase or lease and then, in the construction of the Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture and signs; (iii) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Restaurant in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iv) obtain all customary contractors' sworn statements and partial and final waivers, obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and (v) obtain and maintain all required zoning changes, building, utility, health, sanitation, and sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Restaurant to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. The building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your Restaurant must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. Within a period of 30-60 days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must effect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and interior signage. If, however, any condition presents

a threat to customers or public health or safety, you must effect the items of maintenance immediately, as further described in subparagraph 6.G.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us; provided that the new Restaurant is under construction within 90 days after you discontinue operation of the Restaurant at the Authorized Location, and the new Restaurant is open and operating within 270 days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Restaurant, your right to relocate the Restaurant will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than 60 days prior to closing the Restaurant, have procured a site that we accept within 60 days after closing the prior Restaurant, have opened the new Restaurant for business within 180 days of such closure and complied with any other conditions that we reasonably require. You must pay us a \$5,000 relocation fee to cover our costs associated with the relocation.

In the event your Restaurant is destroyed or damaged and you repair the Restaurant at the Authorized Location (rather than relocate the Restaurant), you must repair and reopen the Restaurant at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within 270 days of the date of occurrence of the destruction or damage.

You do not have the right to relocate in the event you lose the right to occupy the Restaurant premises because of the cancellation of your lease due to your breach. The termination or cancellation of your lease due to your breach is grounds for immediate termination under subparagraph 13.B.2.

E. Modernization or Replacement. From time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards for similarly situated new BIG AL'S STEAKS restaurants. Furthermore, in addition to performing general continued maintenance and refreshing of the Restaurant premises whenever necessary as set forth in subparagraph 5.C, you must effect any required expenditures for equipment or leasehold improvements necessary to prepare new menu items or products.

Each and every transfer of any interest in this Agreement or your business governed by Paragraph 11 or any renewal covered by Paragraph 4 is expressly conditioned upon your compliance with these modernization or replacement requirements at the time of transfer or renewal.

You acknowledge and agree that the requirements of this subparagraph 5.E are both reasonable and necessary to ensure continued public acceptance and patronage of BIG AL'S STEAKS restaurants and to avoid deterioration or obsolescence in connection with the operation of the Restaurant. If you fail to make any improvement as required by this subparagraph or perform the maintenance described in subparagraph 5.C, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. The outdoor signage at your Restaurant must comply with our then current specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Menu. Your business must be confined to the preparation and sale of only such Menu Items and other food and beverage products as we designate and approve in writing from time to time for sale by your Restaurant. You must offer for sale from the Restaurant all items and only those items listed as Menu Items and other approved food and beverage products. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

B. Authorized Products and Ingredients. You must use in the operation of the Restaurant and in the preparation of Menu Items and other food and beverage products only the proprietary and non-proprietary ingredients, recipes, formulas, cooking techniques and processes and supplies we designate, and prepare and serve the Menu Items and products in such portions, sizes, appearance, taste and packaging, all as we specify in our most current product preparation materials or otherwise in writing. We will supply to you a copy of the current product preparation materials prior to opening the Restaurant. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements. All supplies, including containers, cups, plates, wrapping, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Restaurant must at all times maintain an inventory of ingredients, food and beverage products and other products, material and supplies that will permit operation of the Restaurant at maximum capacity.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved products, services, inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services (collectively, "approved supplies") in connection with the design, construction and operation of the Restaurant as set forth in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer, distributor and/or supplier of approved supplies. You acknowledge and agree that certain approved supplies may only be available from one approved supplier source, and we or our affiliates may be that source. For example, you must purchase your Equipment Package and other similar pre-opening items as further detailed in Schedule A to this Agreement from us. Additionally, you must purchase your ribeye steak, bread, and other proprietary BIG AL'S STEAKS products and ingredients and certain other specialty products we designate only from our designated supplier, currently Cheney Brothers. You also must use our approved system and supplier for processing credit card sales. You will pay the then-current price in effect for approved products and supplies purchased from us. All inventory, products, materials and other items and supplies used in the operation of the Restaurant that are not included in the approved supplies or approved suppliers lists must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE**

DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

D. POS System. You must purchase from us the POS system, including all future updates, supplements and modifications (the "POS System"). The POS System may include all hardware and software used in the operation of the Restaurant, including electronic point-of-sale cash registers and the Future POS Software used to record and analyze sales, labor, inventory, product usage, employee information and tax information. The POS System also will include any credit card processing system we designate. The computer software package developed for use in the Restaurant may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. You shall not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You also are required to pay a monthly continual enterprise monitoring and participation fee. The continual enterprise monitoring and participation fee will range from \$100 per month to \$200 per month. We also may require you to pay us an Online Ordering Fee ranging from \$50 to \$100 per month. We will provide you with 30 days advance written notice prior to collecting the Online Ordering Fee. You acknowledge and agree that we will have full and complete access to the information and data entered and produced by the POS System. You must, at all times, have at the Authorized Location Internet access with a form of high speed connection as we require and you must maintain an email account for the Restaurant.

E. Serving and Promotional Items. All sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils and other items, and customer convenience items used in the sales promotion, sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. You must purchase these items from our approved suppliers.

F. Health and Sanitation. Your Restaurant must be operated and maintained at all times in compliance with any and all applicable health and sanitary standards prescribed by governmental authority. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Restaurant is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

G. Evaluations. We or our authorized representative have the right to enter your Restaurant at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building, land and equipment, and to test, sample, inspect and evaluate your supplies, ingredients and products, as well as the storage, preparation and formulation and the conditions of sanitation and cleanliness in the storage, production, handling and serving. Any failure

of an inspection is a default under Section 13.A of this Agreement. Further, if we determine that any condition in the Restaurant presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery shopper” program from time to time throughout the term of this Agreement. If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent “mystery shopper” visits.

H. Period of Operation. Subject to any contrary requirements of local law, your Restaurant must be opened to the public and operated during the days and times set forth in the Operations Manual. You acknowledge and agree that if your Restaurant is closed for a period of 2 consecutive days or 5 or more days in any 12-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of force majeure, as defined in subparagraph 16.M cause preventing you temporarily from complying with the foregoing will suspend compliance for the duration of such interference.

I. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our manuals or other written materials relating to product preparation, menu, storage, uniforms, financial management, equipment, facility and sanitation. We will revise the manuals and these standards, procedures, techniques and management systems periodically to meet changing conditions of retail operation in the best interest of restaurants operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. You must use your best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution throughout the Designated Area.

You acknowledge having received one copy of the Operations Manual on loan from us for the term of this Agreement. The Operations Manual is at all times our sole property. You must at all times treat the Operations Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling. You acknowledge and agree that in the future the Operations Manual and other system communications may only be available on the Internet or other online or computer communications.

J. Confidential Information. You, the Principal Owners, and your manager may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use for the benefit of any other person or entity Confidential Information, except to such employees that must have access to it to operate the Restaurant. For purposes of this Agreement, “Confidential Information” means the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant, as well as the content of this Agreement and any other document executed in connection with this Agreement. Any and all

Confidential Information, including, without limitation, proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in the franchisee, the Principal Owners, your manager and other key employees. You must provide executed copies of these agreements to us upon our request. Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the Restaurant as well as to your landlord.

K. Catering and Delivery Services. If you want to offer catering or delivery service to customers, you must obtain our prior written approval, which we will not withhold unreasonably. Any catering or delivery services must meet our written standards. You also must charge the same price for products offered by the Restaurant whether delivered or catered by or sold in the Restaurant. Any income from catering or delivery services must be included in Gross Sales for purposes of your Royalty Fee and Marketing Fee.

L. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Restaurant operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Restaurant.

You acknowledge that you are an independent business and responsible for control and management of your Restaurant, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your BIG AL'S STEAKS business or Restaurant, including any notices of health code violations or liquor license violations.

M. Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our BIG AL'S STEAKS website on the Internet, our intranet system or extranet system or other online communications as we may require. We have the right to determine the content and use of our website and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks, participate in any website or social media platform that markets goods and services similar to a BIG AL'S STEAKS restaurant, or operate a website for your Restaurant that does not link to our website. We retain all rights relating to our website and intranet system and may alter or terminate our website, extranet system or intranet system. Your general conduct on our website and intranet and extranet systems or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You may not use any social media platforms to promote, advertise or market your Restaurant or use our Trademark on any social media platforms without our prior written approval. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system, or otherwise use the Trademarks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates.

N. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

O. Suggested Pricing Policies. You generally have the right to establish prices for the Menu Items and other products and services you sell. We may, from time to time, suggest prices for the Menu Items and other products and services you sell. We do, however, have the right to modify the Menu Items or System to give us the right to establish prices, both minimum and maximum. Any such modification will be in writing. Unless we so modify the Menu Items or our System, any list or schedule of prices we furnish to you is a recommendation only and any decision you make to accept or reject the suggestion will not in any way affect the relationship between you and us.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. We recommend, but do not require, that you (if Franchisee is an individual) or one of your owners (if Franchisee is a legal agent) devote full time and best efforts to the management and operation of your Restaurant by managing and providing direct on-site supervision of the Restaurant. You may, however, hire a manager to provide direct, on-site supervision of the Restaurant and/or assist you in managing the day-to-day operations of the Restaurant. Any manager or replacement manager(s) you hire must complete our training as described in subparagraphs 7.B – 7.E. Any manager(s) or replacement manager(s) you hire must be trained by us, or if your Restaurant is a training center, by you, and pass our training test. Any manager you may hire need not have any interest in Franchisee. The use of a manager in no way relieves you of your obligations to comply with this Agreement and to ensure that the Restaurant is properly operated.

B. Training. You must comply with all of the training requirements we prescribe for the Restaurant to be developed under this Agreement. You (or if Franchisee is a legal entity, one of your owners) must complete our initial training program to our satisfaction.

If this Agreement is for your first Restaurant, we will not charge you a fee for attending our initial training program and we also will pay all hotel and transportation costs for you to attend our initial training program (you are responsible for all other daily costs and expenses). We also will train 1 additional person without charging you a fee. You, however, are responsible for paying all costs and expenses, including hotel and transportation costs, for this additional person to attend our training program. If you would like us to train more than the 2 people noted above, or if it becomes necessary to retrain a certain individual, we will charge you our then-current training fee. You also will be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program.

If, however, this Agreement is for your second or subsequent BIG AL'S STEAKS Restaurant, we will charge you and any additional people you would like us to train our then-current training fee and you will be responsible for paying all costs and other daily expenses for each person who attends our initial training program.

The training requirements may vary depending on your experience and the experience of any manager you hire or other factors specific to the Restaurant. In the event you are given notice of default as set forth in subparagraphs 13.A and B, and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new manager you hire must comply with our training requirements within a reasonable time as we specify. The training of new managers generally occurs at one of our corporate restaurants, but we may schedule your training at another site. Under no circumstances may you permit the management of the Restaurant's operation on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

Additionally, prior to the opening of your Restaurant, we will provide you with on-site opening assistance for up to 14 days. If you request additional days of on-site training or if we determine that it is necessary to provide you with more on-site training we may require you to pay to us for each additional on-site training day at our then-current daily on-site training fee.

C. Ongoing Training. We may require you, your manager and other key employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Authorized Location or other location we designate. If you request training in addition to the initial training program identified above, you must pay to us our then-current daily training fee plus expenses.

D. Certified Training Center. Your Restaurant may be certified as a training center or Franchise Training Unit. To be certified as a training center, all of your Restaurants and any Restaurants operated by your affiliates must have been in continuous full contractual compliance with all Franchise Agreements executed by you or your affiliates, and you and your affiliates must have been in full compliance with all operational requirements, all for an uninterrupted period of six months prior to your request that your Restaurant be certified as a training center. If your Restaurant is certified as a training center, you may train any managers or replacement managers you hire. Any managers or replacement managers you train must pass a training test we administer.

E. Staffing. You will employ a sufficient number of competent and trained employees to ensure efficient service to your customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever.

F. Attendance at Meetings. You must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

ADVERTISING

8. You agree to actively promote your Restaurant, to abide by all of our advertising requirements and to comply with the following provisions:

A. Marketing Fund. As of the Effective Date of this Agreement, we do not collect a Marketing Fee, but you must begin paying us a Marketing Fee (as set forth in subparagraph 9.D) upon 30 days advance written notice. All Marketing Fees will be placed in a Marketing Fund that we own and manage. On behalf of our company- and affiliate-owned restaurants, we will pay the same Marketing Fee as similarly situated franchised restaurants (based on age and type of location)

in the same local marketing area, except for Special Sites. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each restaurant or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

B. Required Local Expenditures. You must use your best efforts to promote and advertise the Restaurant and participate in any local marketing and promotional programs we establish from time to time. In addition to any Marketing Fee you may be required to pay to us, you are required to spend 2% of your Gross Sales on approved local marketing and promotion in your own market. Upon our request, you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the Marketing Fund.

C. Opening Marketing Campaign Fund. You must spend at least \$3,500 on grand opening marketing and promotion (the "Opening Marketing Campaign Fund"). The Opening Marketing Campaign Fund must be spent before or during the 60 days following the opening of your Restaurant. All marketing or promotion activities must be approved by us.

D. Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic (including through the Internet and social media), or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Restaurant or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials or media and activities; provided that they are current, in good condition, in good taste and accurately depict the Trademarks.

E. Advertising Cooperatives. We have the right to designate local advertising markets and if designated, you must participate in and contribute to the cooperative advertising and marketing programs in your designated local advertising market. If established, you must direct your local advertising expenditure to the advertising cooperative. Each BIG AL'S STEAKS restaurant, including those operated by us, our parent company or our affiliates within a designated local advertising area is a member of the local advertising cooperative and each restaurant has one vote on all matters requiring a vote. Each advertising cooperative will be required to adopt governing bylaws that meet our approval. You must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. Each advertising cooperative will be required to prepare annual financial statements, which must be made available to all members of the cooperative and to us upon request. Also, each advertising cooperative must submit to us its meeting minutes upon our request. We have the right to require advertising cooperatives to be formed, changed, dissolved or merged.

F. Telephone Directory Listing. You must place a separate listing, or participate in a joint listing, in the primary yellow page directory serving the geographic area in which your Restaurant is located. The listing must meet our standards. The cost of the listing must be paid by you or, in the case of a joint listing, by you and other participating BIG AL'S STEAKS restaurants. Your cost to advertise in the yellow pages as we direct will be included as part of your local advertising requirements under subparagraph 8.B. We will not specify an unreasonably expensive listing; we may, however, require you to advertise in more than one local telephone directory.

G. Gift Cards, Certificates and Checks. You must use and honor only system-wide gift cards, certificates and checks that we designate and you must obtain all certificates, cards or checks from an approved supplier.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us an Initial Franchise Fee of \$27,500. The entire \$27,500 Initial Franchise Fee is due when you sign this Agreement. The Initial Franchise Fee is earned upon receipt and is nonrefundable.

B. Equipment Package. Before you open your Restaurant for business, you must purchase from us certain equipment as further described in the BIG AL'S STEAKS Schedule A, which is attached to this Agreement as Schedule A (the "Equipment Package"). The cost for purchasing the Equipment Package will range from \$142,525 to \$212,850 and is due prior to opening your Restaurant for business.

C. Royalty Fee. In addition to the Initial Franchise Fee, during the full term of this Agreement, or any Interim Period, and in consideration of the rights granted to you, you must pay to us a weekly Royalty Fee equal to 6% of Gross Sales.

D. Marketing Fee. Upon 30 days advance written notice, you must begin paying us a weekly Marketing Fee in an amount equal to 2% of Gross Sales. These fees are not held by us in trust and become our property to be spent in accordance with Paragraph 8.A of this Agreement.

E. Computations and Remittances. Except for the Initial Franchise Fee, you must compute all amounts due and owing at the end of each weekly period from Sunday to Saturday and remittance for the amounts must be made to us on or before Wednesday of the following week, accompanied by the reports required by subparagraph 9.I of this Agreement. We reserve the right to change the reporting day of the week for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you.

F. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization, attached as Schedule E, to authorize and direct your bank or financial institution to transfer electronically, on a weekly basis, directly to our account or our affiliates' account and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You

are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

G. Interest Charges; Late Fees. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Royalty Fee and Marketing Fee payments, you must pay to us a service charge of \$100 for each delinquent report or payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

H. Financial Planning and Management. You must keep books and records and submit reports as we periodically require, including but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledgers, all of which accurately reflect the operations and condition of your Restaurant operations. You must compile, keep and submit to us the books, records and reports on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Restaurant must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your Restaurant.

I. Reports and Audit. Within 10 days after the end of each month, you must submit to us a report of your Gross Sales with respect to the preceding month in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding month: (i) amount of Gross Sales and gross receipts of the Restaurant, amount of sales tax and the computation of the Royalty Fee and the Marketing Fee; (ii) quantities of products purchased and the sources from which each were obtained; (iii) copies of your most recent sales tax return, sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items (iv) if requested by us to verify your Gross Sales, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. We may require that the annual financial statements be reviewed by a certified public accountant. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Restaurant are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of 2% or more of your Gross Sales, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to 3 years thereafter and any further audits and

evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Sales at any time, or if a subsequent audit or evaluation conducted within the 3-year period reveals any understatement of your Gross Sales of 2% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance. You must fully cooperate with us or our representative in performing these activities and any expenses incurred by us from your lack of cooperation shall be reimbursed by you.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in subparagraph 11.D.8 or where your information is grouped with similar information from other restaurants to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Restaurant or business; and (iii) all accounts and other indebtedness of every kind incurred by you in operating the Restaurant or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

You also will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as a result of our receipt or accrual of the Initial Franchise Fee, Royalty Fee, the Marketing Fees, or other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Restaurant. You must fully protect, indemnify and hold us and our owners, directors, officers, insurers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Restaurant (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred.

We waive all claims against you for damages to property or injuries to persons arising out of the operation of our company or affiliate owned restaurants. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company or affiliate owned restaurants (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with the terms and conditions of this Agreement.

C. Insurance. You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) “special” causes of loss coverage forms (sometimes called “All Risk Coverage” or “All Peril Coverage”) on the Restaurant, restaurant improvements and all furniture, fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum of 12 months loss of income, including coverage for our Royalty Fees (for example, in the event of a fire or destruction of the premises, the insurance must cover our average royalty payments (based on the previous 12-month timeframe, or if a shorter timeframe, the total operating timeframe for the restaurant) during the rebuilding process); (iii) comprehensive general liability insurance including product liability insurance and contractual liability insurance, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (iv) workers’ compensation insurance covering all of your employees; (v) employers liability insurance with minimum limits of \$1,000,000; (vi) umbrella liability insurance which also includes employers liability, with minimum limits of \$2,000,000 per occurrence; (vii) “Per Location” aggregate limits when multiple restaurant locations are insured under one comprehensive general liability and umbrella liability policy(cies); (viii) Big Al’s Steaks A & S, Inc. named as an additional insured on all liability policies required by this subparagraph; (ix) severability of interests and/or separation of insureds provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Big Al’s Steaks A & S, Inc.; and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant.

The insurance coverages referenced in (iii), (iv), (v), (vi), (vii), (viii) and (ix) must commence as of the date you sign this Agreement. The insurance coverages referenced in (i) and (ii) of this subparagraph must commence as of the date construction begins at the Restaurant. You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured and provide that we will be given 30 days’ prior written notice of a material change in or termination or cancellation of the policy. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverages, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the BIG AL’S STEAKS system, standards of liability and higher damage awards. If you do not procure and maintain the required insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

D. Noncompete Covenants. You agree that you will receive valuable training, Confidential Information and goodwill that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this subparagraph 10.D includes, collectively and individually, all Principal Owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this subparagraph 10.D.

2. You covenant that during the term of this Agreement or during any Interim Period you will not, except as we otherwise agree to in writing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any restaurant or food business other than the one authorized by this Agreement or any other agreement between us and you.

3. You covenant that you will not, for a period of 2 years after the expiration or termination of this Agreement, or after the expiration of any Interim Period, regardless of the cause of termination, or within 2 years of the sale of the Restaurant or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competing Business:

- a. At the premises of the former Restaurant;
- b. Within 5 miles of the former Restaurant; or
- c. Within 5 miles of any other business or restaurant using the BIG AL’S STEAKS System, whether franchised or owned by us or our affiliates.

For purposes of this Section 10.D, a Competing Business includes any business where 5% or more of its sales include the sale of steak sandwiches on a submarine or hoagie roll.

4. You agree that the length of time in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Restaurant. Consequently, neither your interest in this Agreement nor in the Restaurant may be transferred or assigned to or assumed by any other person or entity (the

“assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with subparagraph 11.F, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in subparagraph 11.C is paid, and the transfer conditions described in subparagraph 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Paragraph 11:

1. Any change in the percentage of the franchisee entity owned, directly or indirectly, by any Principal Owner (including any addition or deletion of any person or entity who qualifies as a Principal Owner) which results in the Principal Owner owning less than 51%;
2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or
3. For purposes of this subparagraph 11.A, a pledge or seizure of any ownership interests in you or in any Principal Owner that affects the ownership of 25% or more of you or any Principal Owner, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in subparagraph 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in subparagraph 11.C, and satisfy the transfer conditions described in subparagraph 11.D. In addition, you or the assignee must pay the attorneys’ fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Restaurant, or in any communication media or any form of advertising, any information relating to the sale of the Restaurant or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Paragraph 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in subparagraph 11.F must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) and other required information. The application must indicate whether you or a Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be

voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in subparagraph 11.C.

C. Transfer Fee. You must pay to us a transfer fee in the amount of \$14,000 plus our then-current training fee for each person we train. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for our BIG AL'S STEAKS franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement modified to reflect the term remaining under this Agreement.

2. Payment of Amounts Owed. All amounts owed by you to us, or any of our affiliates, your suppliers or any landlord for the Restaurant premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with subparagraphs 9.H and I.

4. Modernization. You must have complied with the provisions of subparagraph 5.E.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated thereunder, you or such Principal Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You, each Principal Owner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Restaurant or the parties' business relationship, in the form we designate, releasing us and our affiliates.

7. Training. The assignee must, at your or assignee's expense, comply with the training requirements of subparagraph 7.B.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Restaurant and its operations reasonably necessary or appropriate for assignee and/or us to evaluate the Restaurant and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Restaurant and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Restaurant and proposed transfer and must not be construed in any manner or form whatsoever as a financial performance representation or claims of success or failure.

9. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under subparagraph 11.B, pay the applicable transfer fee under subparagraph 11.C, and satisfy the transfer conditions under subparagraph 11.D, as in any other case of a proposed transfer, all within 180 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in subparagraph 11.F.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in you or the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by subparagraph 11.E or any transfer described in subparagraph 11.A, you first must offer to sell to us your interest under the same terms. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a transfer under subparagraphs 11.A.1 through 11.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Restaurant. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a transfer under subparagraphs 11.A.1 through 11.A.3 or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in subparagraph 14.B (the formula that includes the value of any goodwill of the business) in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 45 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 45-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Paragraph 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this subparagraph 11.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Mediation. Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted in Section 12.C below), the parties must first meet to mediate the dispute. The mediation will be held in the city in which our headquarters are located at the time of the mediation. Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

B. Arbitration. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Restaurant or Authorized Location must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the city where our headquarters is located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where your Restaurant is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

C. Exceptions to Arbitration. Notwithstanding Section 12.B, the parties agree that the following claims will not be subject to arbitration:

1. any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder.

2. any action in ejectment or for possession of any interest in real or personal property.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you, a Principal Owner, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Restaurant, any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this subparagraph 13.B or elsewhere in the Agreement: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: any material misrepresentation or omission in your franchise application, your voluntary abandonment of this Agreement or the Authorized Location, the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under subparagraph 5.D, the closing of the Restaurant by any state or local authorities for health or public safety reasons, failure to locate a site for your Restaurant within 180 days after signing this Agreement, any unauthorized use of the Confidential Information, insolvency of you, a Principal Owner, or guarantor, you, a Principal Owner, or guarantor making an assignment or entering into any similar arrangement for the benefit of creditors, any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks, conviction of you, any Principal Owners, or guarantors of (or pleading no contest to) any felony regardless of the nature of the charges, or any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Restaurant, intentionally understating or underreporting Gross Sales, Royalty Fees or Marketing Fees or any understatement or 2% variance on a subsequent audit within a 3 year period under subparagraph 9.I, violation by you of the provisions of subparagraph 15.P, any unauthorized transfer or assignment in violation of Paragraph 11 or any default by you that is the second same or similar default within any 12-month consecutive period or the fourth default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that violates any health safety or sanitation law or regulation, violates any system standard as to food handling, cleanliness, health and sanitation, or if the operation of the Restaurant presents a health or safety hazard to your customers or to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) if you fail to cure the default within the 24 hour period, this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 60 days after our receipt of your written notice of breach. Your termination of this Agreement under this Paragraph will not release or modify your Post-Term obligations under Paragraph 14 of this Agreement.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement, or the expiration of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Restaurant (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under subparagraph 10.D, cease all use and display of the Trademarks and of any proprietary material (including the Operations Manual and the product preparation materials) and of all or any portion of point-of-sale materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the Restaurant and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Operations Manual, Confidential Information, and product preparation materials then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of subparagraph 6.J. You must promptly at your expense and subject to subparagraph 14.B, remove or obliterate all Restaurant signage, displays or other materials (electronic or tangible) in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of the Restaurant as to differentiate the Restaurant unmistakably from duly licensed restaurants identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within 30 days, we have the right to enter the Authorized Location and remove all Restaurant signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any

of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement (or the expiration of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant that are owned by you or any of your affiliates including, without limitation, the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the Restaurant at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Restaurant's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Paragraph within 30 days after the date of the expiration or termination of this Agreement, or the expiration of any Interim Period. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a BIG AL'S STEAKS Restaurant and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Restaurant that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this subparagraph, you may sell or lease the Restaurant premises to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of 2 years after the expiration or termination of this Agreement, or the expiration of any Interim Period, not to use the premises for the operation of a restaurant business that has a menu or method of operation similar to that employed by our company-owned or franchised restaurants.

C. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the BIG AL'S STEAKS business after the shorter period of the applicable statute of limitations or one year following the

effective date of termination of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Schedules and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to Big Al's Steaks A & S, Inc., 450 E. Atlantic Avenue, Delray Beach, Florida 33483;
2. If intended for you, addressed to you at the address set forth on the Data Sheet or at the Authorized Location; or,

in either case, to such other address as may have been designated by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

E. References. If the franchisee is 2 or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. Your spouse and all persons owning 10% or more of a franchisee that is a corporation, limited liability company, partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a 10% owner pursuant to the provisions of Paragraph 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Paragraph 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Paragraph 12 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Florida.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of subparagraph 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality,

improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Paragraph 12, must be brought in the state or federal district court located in the county or district encompassing our headquarters. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this subparagraph will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. Waiver of Punitive Damages. You and your affiliates and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any franchised restaurant or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such restaurant or restaurant, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you or require you to purchase goods, products and/or services for use in your Restaurant on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. Interference with Employment Relations. During the term of this Agreement, or during any Interim Period, neither we nor you may employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by the other party or any of its affiliates, or by any franchisee in the system, unless the violating party compensates the former employer for all costs and expenses incurred in losing and replacing the employee up to a maximum of \$25,000, plus attorneys' fees and expenses. This subparagraph will not be violated if (i) at the time we or you employ or seek to employ the person, the former employer has given its written consent or (ii) we employ or seek to employ the person in connection with the transfer of the Restaurant to us or any of our affiliates. The parties acknowledge and agree that any franchisee from whom an employee was hired by you in violation of this subparagraph shall be a third-party beneficiary of this provision, but only to the extent they may seek compensation from you.

Q. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement. However, as described in subparagraph 5.A, you do not have the right to, and may not, open and commence operation of a Restaurant at the Authorized Location until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement on the dates written below.

FRANCHISEE: (For an Entity)

Date: _____

_____,
a _____,
(Please type or print name and type of entity)

By: _____
(Signature of person signing on behalf of entity)

(Please type or print name of person
signing on behalf of entity)

Its: _____
(Please type or print title of person
signing on behalf of entity)

Witness: _____
(Please type or print)

Signature: _____

FRANCHISEE: (For an Individual)

Date: _____

Name: _____
(Please type or print)

Signature: _____

Witness: _____
(Please type or print)

Signature: _____

Date: _____

Name: _____
(Please type or print)

Signature: _____

Witness: _____
(Please type or print)

Signature: _____

US:

BIG AL'S STEAKS A & S, INC.

Date: _____

By: _____

Its: _____

Schedule A to the Franchise Agreement

BIG AL'S STEAKS Schedule A

INFRA RED INDUSTRIAL GRILL

This six foot Infra Red grill heats food quickly, allowing the meat to be seared evenly and limiting time between portions as it keeps a consistent temperature (zero recovery) of the non stick heating surface. Grill comes with high back splashes, towel bar, and stand with adjustable legs and shelves. The one inch thick polished steel grill plate and multiple temperature control sections complete this grill.

WALK IN FREEZER

This 10' x 12' storage freezer is insulated with thick, high quality insulation and heavy gauge metal finish to retain a zero (0°) degree temperature. This walk in freezer has a heavy duty swing door, settings for temperature and a diamond plated internal ramp. Also included are shelving units and dunnage racks to keep your products accessible and legally stored. Installation, electrical, refrigeration and setup are not included and must be done by your contractor.

SINGLE DOOR MEAT FREEZER

This thermostatically controlled freezer is used to stage your meat and bring it to the ideal temperature for the perfect sandwich.

TWO DOOR FREEZER

Two two-door freezers are thermostatically controlled and are used for storage of additional condiments and ready to prepare foods.

OIL FILTRATION SYSTEM

Utilized with the **Deep Fryer** this mobile oil filtration system cleans your fry oil as needed and includes an initial washable filters. This system easily pays for itself by recycling the used oil.

FRYER FREEZER

Conveniently located next to the **Deep Fryer**, products are stocked at the ideal temperature in this large freezer. Multiple shelves house your French Fries.

HEAT LAMP/FRYER

This complete unit is a combination fryer unit with fry dump and heat lamp attached. The heat lamp has long lasting bulbs to keep your French Fries hot and ready to be served.

INDUSTRIAL REFRIGERATOR

This three door industrial refrigerator is manufactured to hold the perfect temperature to keep products above freezing but below room temperature. The doors with industrial grade hinges and locks ensure a tight seal and the stainless steel frame are perfect for a busy kitchen.

KITCHEN ACCESSORIES

An industrial can opener, spatulas, knives, bread bins, meat bins are just a few items that make up the many kitchen accessories you will receive with your initial store package.

SANDWICH PREP CENTER

Four feet of counter space with custom cutting board top allows plenty of space for making cold sandwiches. This unit also has covered cool storage space for your condiments and produce, bottom storage cabinets and top shelving for dry good storage and heavy duty wheels for easy mobility.

TWO FOOT COLD SANDWICH PREP CENTER

Twenty-Seven inches (27") of counter space with custom cutting board top allows plenty of space for making cold sandwiches. This unit has a covered cool storage space for your condiments and produce, bottom storage cabinets, additional overhead storage shelf for the Kitchen Printer and heavy duty wheels for easy mobility. The sandwich prep center may be modified (with our written approval) depending on the layout of your Restaurant.

BREAD SLICER

This specialized machine has a single blade and encompasses an adjustable chute to allow a very accurate sandwich slice protecting the hinge of the rolls. It allows multiple size sandwich rolls to be accurately sliced to Big Al's standards.

INDUSTRIAL MEAT SLICER

Used to cut your cold meats and cheese this 12" blade **Meat Slicer** is a safe and efficient way to properly proportion your food.

HEAVY DUTY INDUSTRIAL PRODUCT PORTION CUTTER

This machine is designed to slice temperature-controlled products with bone or without. We may agree to waive the heavy duty cutter requirement.

TAKE OUT WARMER

This piece of equipment allows food to be kept hot when it is cooked early for call-ahead orders. This unit also holds the containers for the **Cheese Warmer**.

CHEESE WARMER

This countertop customized three (3) station energy efficient cheese warmer constructed of heavy duty stainless steel includes stabilized heating elements to direct heat towards the cheese evenly. The third container is for warming water. Also includes ladles and accessories to deliver the perfect serving temperature each time.

COLD DRINK REFRIGERATOR

This full size refrigerator has a single glass door for merchandizing the ready-to-go, cold bottled drinks you can provide to your customers.

ICE MAKER

This energy efficient, self contained ice maker produces customer preferred small pellet-size ice. Quietly producing up to 500LBS of ice over a 24 hour period and attaches to the ice storage bin or soda machine, this piece of equipment will allow enough ice for your busy restaurant.

SODA MACHINE

This soda machine includes six (6) flavors of name brand soda and two (2) of Philly's favorites, Cherry and Birch Beer. This machine also dispenses ice and water and connects to your store's drainage system. This machine will be leased from The Coca Cola Company directly.

BAKER'S RACK

This multi-tier movable bread rack comes with wire shelving and screens which are uniquely suited for bread preparation.

STAINLESS STEEL FOOD PREP TABLES

These two (2) tables are used for bread slicing and other general preparations. They also allow storage space and easy access to commonly used kitchen accessories.

TRIPLE WASH SINK

Installed onsite this stainless steel three (3) station sink has fixed center faucet with hand held adjustable water nozzle and includes state regulated signage.

POS SYSTEM

These two (2) Point of Sale (POS) Stations consist of a computer and LCD touch screen and is connected to your lockable cash drawer, customer receipt printer and a kitchen printer. The second station may be for phone orders (depending on your Restaurant buildout), and will also be used as an emergency backup system. All necessary cables and installation are included. This station operates the customizable **Future POS Software**. Monthly subscription and internet required.

CUSTOMIZED FUTURE POS SOFTWARE

The **Future POS Software** is utilized to quickly and accurately price your customer's orders. In addition, your **Future POS Software** provides you with cost of goods and sales statistics. Customized for Big Al's this system also allows remote management access available via the internet. (Internet service is not provided)

LAPTOP

The Laptop consists of one (1) current Laptop system with a large capacity hard drive and high resolution display. All necessary cables, installation and a multi speed DVD/CD-RW Drive, network interface card, and soundcard with internal speakers are included. This laptop is capable of accessing and maintaining the **Future POS** and **Accounting Software**.

KITCHEN PRINTER

Link to your **Future POS Software** this printer provides cooking tickets to ensure orders are produced accurately and delivered timely.

PHONE ORDER STATION

This consists of Formica topped table large enough to hold your **Management Laptop, a Multifunction Printer/Fax/Scanner Copier** and typical combination inventory and order form binder. Also includes a rolling **Chair**. The phone order station may be modified or not required (with our written approval) depending on the layout of your Restaurant.

MANAGEMENT MULTIFUNCTION PRINTER

A Multi function printer/fax/scanner is attached to the **Management Computer** to print out documents and pricing information from the POS program, word processing program or other software installed on the computer. It also makes short run copies.

POWER BACKUP SYSTEM

A battery backup and advanced surge protection system prevents your **POS Computer** from data loss.

WEB PAGE

Big Al's national webpage will allow viewers to search and find the closest BIG AL'S STEAKS in their area. The website will showcase your restaurant products and services and is complete with a contact page, photos, Big Al's Philosophy and online ordering information (when available). Your website and all hosting and maintenance fees are included for the first month.

EMAIL ACCOUNTS

This email service account includes 2 email addresses and storage space to communicate with your customers using the "yourrestaurant@bigalssteaks.com" name. It includes virus protection and spam filtering.

MENU BOARD SIGNAGE

This PVC four color signage will inform your customers of the many options they have available to customize their meals including upgrades and lunch specials. Additional flare signage is included such as, the many awards that have been received, "How to Order a Cheese Steak, The Story of Big Al's, and other brand signage.

PHILLY DECORATION PACKAGE

Philadelphia sports teams are proudly displayed along with a sign of "Phun Philly Phacts" to make the customer's experience authentic to the Philadelphia area.

SHIRTS

This includes an initial supply of shirts for yourself and your staff.

DROP AND FIRE SAFE

The drop safe and fire safe helps keep your deposit safe and secured and allows you peace of mind while you are not in your restaurant.

UTILITY CART

Large wheels make this cart perfect to bring supplies to the food preparation area.

SCALES

These scales ensure properly proportioned meals are produced every time. One battery scale for your **Freezer** and an electronic scale for general use are included.

SHELVING

Various strategically placed shelves hold excess goods for use, display or storage.

KITCHEN ACCESSORIES AND SMALL WARES

An **infrared thermometer** is an invaluable tool for evaluating various temperatures throughout your restaurant. Also included are various size **trash cans** strategically placed throughout the space to keep work areas clean and running efficiently, and an **industrial can opener** is integrated to open condiments and the many cans of Whiz. Finally, a large assortment of restaurant small wares is included to hold and care for your food items and supplies.

MARKETING AND PRINTED MATERIALS

A collection of menus and other forms will be printed with your store specific information. Two sided menu handouts and one box of double sided color business cards will also be sent to you to help promote your new business.

FILE CABINET

This lockable two (2) drawer cabinet, featuring suspension tracks for easy opening and closing will help organize and keep your invoicing and employee files confidential.

CONDIMENT DISPLAYS

A condiment display center allows your customers easy access to customize their sandwiches along with a sanitary guard to protect the condiments and the work areas. A second condiment center will allow your customers to accessorize their purchase with the basics (salt, pepper, forks, spoons, etc).

CUSTOM COUNTERS

A set of matching stainless steel countertops located in front of the order and pick up windows which will allow easy flow of products to your customers.

SAFETY PACKAGE

State regulated First Aid Kit is easily accessible to you and your staff.

HAND SANITIZE SINKS

Conveniently located sinks for employees to sanitize their hands.

SANITIZER PACKAGE

Commonly used sanitizing accessories including mop bucket, mop sink and faucet, broom and dust pan are included to keep your restaurant clean and fresh.

EMPLOYEE LOCKERS

Lockers are provided for you and your employees to store your valuables while on duty.

****FRONT WINDOW GRAPHICS**

Quality vinyl window graphics will tell your customers who you are, your store hours and the Big Al's logo.

****NEON WINDOW SIGNS**

For display in your order and pick up window, these electric signs work 24 hours a day to direct your customers.

****ELECTRIC OUTDOOR SIGN**

The BIG AL'S STEAKS name is proudly displayed on an illuminated sign dominating the face of your store (as permitted by local law). The sign is constructed of the finest materials and will serve as a tremendous advertisement for your business.

***VEHICLE GRAPHICS**

The Big Al's logo and store information will proudly be displayed on a car or truck of your choice that will increase your brands exposure.

SHIPPING AND DELIVERY

Shipping, delivery and installation are included in the package.

<i>Equipment Range Total</i>	\$142,525 - \$212,850
Franchise Fee	\$27,500

Plus Tax and Customs for all Equipment and Furnishings

**All interior and exterior signs may be subject to approval by local municipal authorities and landlords. If changes are required, Big Al's will order signs to conform to the landlords and municipal authorities requirements.

Because we are constantly improving our products and equipment, we reserve the right to revise, change and/or substitute product features, dimensions, specifications and designs without notice to improve our restaurant's capabilities and quality. Prices are subject to change without notice.

OPTIONAL ITEMS:

INDOOR / OUTDOOR SEATING

Cost depending on location

Schedule B to the Franchise Agreement

Data Sheet

1. **Franchisee:** _____

2. **Principal Owner.** You represent and warrant to us that the following person or entity, and only the following person or entity, will be your Principal Owner:

Name	Home Address	Percentage of Ownership

3. **Authorized Location.** As stated in subparagraph 2.A of the Franchise Agreement, the Authorized Location is: _____

4. **Designated Area.** As stated in subparagraph 2.B of the Franchise Agreement, and subject to the terms and conditions of the Franchise Agreement, the Designated Area under this Agreement is as follows: _____

5. **Effective Date:** _____

YOU: _____

WE: BIG AL'S STEAKS A & S, INC.

By _____
Its _____

By _____
Its _____

Schedule C to the Franchise Agreement

Trademarks

You have the right to use the following Trademarks in accordance with the terms of the Franchise Agreement:

Trademark	Registration Number	Registration Date
BIG AL'S STEAKS	3665951	August 11, 2009

We may amend this Schedule C from time to time in order to make available additional Trademarks or to delete those Trademarks that become unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Schedule D to the Franchise Agreement

Addendum to Lease

This Addendum to Lease (“Addendum”), dated _____, 20__, is entered into between _____ (“Landlord”) and _____ (“Tenant”).

R E C I T A L S

The parties have entered into a Lease Agreement, dated _____, 20__ (the “Lease”), pertaining to the premises located at _____ (the “Premises”).

The Landlord acknowledges that Tenant intends to operate a BIG AL’S STEAKS™ restaurant (“Restaurant”) from the Premises pursuant to Tenant’s Franchise Agreement with Big Al’s Steaks A & S, Inc. (“Franchisor”) dated _____ (the “Franchise Agreement”), whereby Tenant will utilize the BIG AL’S STEAKS name and the BIG AL’S STEAKS Marks as Franchisor may designate in the operation of the Restaurant at the Premises.

Landlord further acknowledges that Franchisor has approved Tenant’s request to locate its Restaurant on the Premises that is the subject of the Lease, provided that the conditions and agreements set forth in this Addendum are made a part of the Lease.

A G R E E M E N T S

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. Remodeling and Decor. Landlord agrees that Tenant has the right to remodel, equip, paint and decorate the interior of the Premises and to display such Marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a Restaurant on the Premises. Any remodel of the building and/or its signs shall be subject to Landlord’s prior and reasonable approval.

2. Assignment By Tenant.

(a) Tenant does not have the right to sublease or assign the Lease to any third party without Landlord’s and Franchisor’s written approval.

(b) So long as Tenant is in good standing under the Lease, Tenant has the right to assign all of its right, title and interest in the Lease to Franchisor or its affiliates during the term of the Lease, including any extensions or renewals, without first obtaining Landlord’s consent. No assignment will be effective, however, until Franchisor or its designated affiliate gives Landlord written notice of its acceptance of the assignment. Franchisor will be responsible for the Lease obligations incurred after the effective date of the assignment.

(c) If Franchisor elects to assume the Lease, Franchisor shall not be required to begin paying rent until Landlord delivers possession of the Premises to the Franchisor. At any time until the Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume by written notice to Landlord.

3. Default and Notices to Franchisor.

(a) Landlord shall send Franchisor copies of all notices of default under the Lease at the same time it provides Tenant with such notice. If Tenant fails to cure any defaults within the period specified in the Lease, Landlord shall promptly give Franchisor written notice thereof, specifying the defaults that Tenant has failed to cure. Franchisor has the right to unilaterally assume the Lease if Tenant fails to cure. Franchisor shall have 15 days from the date Franchisor receives such notice to exercise, by written notice to Landlord and Tenant, its right for Franchisor or its affiliate designee ("Franchisor Entity"), to assume the Lease. Franchisor shall have an additional 30 days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) If Franchisor elects to assume the Lease, the Franchisor Entity shall not be required to cure defaults and/or to begin paying rent until Landlord delivers possession of the Premises to the Franchisor Entity. At any time until Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume by written notice to Landlord.

4. Termination of Franchise Agreement; Expiration or Non-Renewal of Lease.

(a) If the Franchise Agreement is terminated for any reason during the term of the Lease or any renewal or extension thereof, and if Franchisor desires to assume the Lease, Franchisor shall promptly give Landlord written notice thereof. Within 30 days after receipt of such notice, Landlord shall give Franchisor written notice specifying any defaults of Tenant under the Lease. If Franchisor elects to assume the Lease, Franchisor must cure said defaults consistent with paragraph 3 above.

(b) If the Lease contains term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord shall give Franchisor written notice thereof, and a Franchisor Entity shall have the option, for 30 days after receipt of said notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If a Franchisor Entity elects to exercise such right(s), it shall so notify Landlord in writing, whereupon Landlord and the Franchisor Entity shall promptly execute and deliver an agreement whereby the Franchisor Entity assumes the Lease, effective at the commencement of the extension or renewal term.

5. Access to Premises Following Expiration or Termination of Lease. Upon the expiration or termination of the Lease, Landlord will cooperate with and assist Franchisor in gaining possession of the Premises and, if the Franchisor Entity does not elect to assume the Lease for the Premises consistent with subparagraphs 3(a) or 4(b) above, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord except for any damages caused by Franchisor's willful misconduct or gross negligence, to remove all signs and all other items identifying the Premises as a BIG AL'S STEAKS Restaurant and to make such other modifications (such as repainting) as are reasonably necessary to protect the BIG AL'S STEAKS marks and system, and to distinguish the Premises from BIG AL'S STEAKS Restaurants. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord must permit Franchisor to remove all such assets being purchased by Franchisor.

6. Assumption and Subsequent Assignment By Franchisor. If Franchisor elects to assume the Lease under paragraph 2, or unilaterally assumes the Lease as provided for in paragraphs 3 or 4, Landlord and Tenant agree that:

(a) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption. Further, Tenant shall be and remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment or assumption of the Lease by Franchisor. Franchisor shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

(b) Franchisor, upon taking possession of the Premises, shall cure any default specified by Landlord within the timeframes noted herein and shall execute and deliver to Landlord its assumption of Tenant's rights and obligations under the Lease. Franchisor shall pay, perform and be bound by all the duties and obligations of the Lease applicable to Tenant, except that the Franchisor may elect not to assume or be bound by the terms of any Amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which shall not be unreasonably withheld or delayed.

(c) At or after the time Franchisor assumes Tenant's interests under the Lease, the Franchisor may, at any time, assign such interests or sublet the Premises to a BIG AL'S STEAKS franchisee. Any such assignment shall be subject to the prior written consent of the Landlord, which Landlord shall not unreasonably withhold as it relates to a creditworthy franchisee who otherwise meets Franchisor's then-current standards and requirements for franchisees and agrees to operate the Restaurant as a BIG AL'S STEAKS Restaurant pursuant to a Franchise Agreement with Franchisor. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease, the Franchisor shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgement of such release by Landlord.

7. Access to Premises During Lease. As provided in the Franchise Agreement, Franchisor shall have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement.

8. Additional Provisions.

(a) Landlord hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and the Tenant would not lease the Premises without this Addendum.

(b) Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and the Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liability of or against Franchisor or any affiliate of Franchisor, unless and until the Lease is assigned to, and accepted in writing by, Franchisor.

(c) All notices to Franchisor required by this Addendum must be in writing and sent by registered or certified mail, postage prepaid, to the following address:

Big Al's Steaks A & S, Inc.
450 E. Atlantic Avenue
Delray Beach, Florida 33483

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

9. Sales Reports. If requested by Franchisor, Landlord will provide Franchisor with whatever information Landlord has regarding Tenant's sales from the Restaurant.

10. Confirmation of Lease Commencement Terms. Within 20 days after the commencement date of the term of the Lease, Landlord and Tenant shall execute a Lease Commencement Agreement substantially in the form attached hereto as Exhibit 1 to this Addendum, a signed copy of which shall be delivered to Landlord, Tenant and Company within 10 days following full execution.

11. Conflicts. In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth herein shall govern. In the event of a conflict between notices provided to Landlord by Tenant and Franchisor, the notices of Franchisor shall prevail.

12. Miscellaneous. Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Addendum shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Nothing in this Addendum is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity not a party hereto. This Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Addendum sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Addendum. This Addendum may only be amended by written agreement duly executed by each party.

[Signature page follows]

IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of _____, _____.

LANDLORD: _____

By: _____

Print Name: _____

Title: _____

FRANCHISEE: _____

By: _____

Print Name: _____

Title: _____

Schedule E to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Big Al's Steaks A & S, Inc. or any affiliated entity (collectively, "Franchisor") to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Advertising Fees or other amounts that become payable by the undersigned to Franchisor. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Franchisor.

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Bank Name

Street Address

Branch

City State Zip Code

Street Address

Telephone Number

City State Zip Code

By _____

Bank Telephone Number

Its _____

Bank's Account Number

Date _____

Customer's Account Number

Schedule F to the Franchise Agreement

Promissory Note

Loan Amount: \$ _____

Effective Date: _____

FOR VALUE RECEIVED, _____, a _____ with an address of _____ (the “**Borrower**”) hereby promises to pay to the order of **Big Al's Steaks A&S, Inc.**, a Florida corporation, with an address of, 450 E Atlantic Avenue, Delray Beach, FL 33483 (the “**Lender**”) the principal sum of _____ and ___/100 Dollars (\$_____), lawful money of the United States of America, together with interest on the outstanding balance hereof, at the rate and on the terms set forth herein.

1. Interest Rate.

Interest shall accrue on the outstanding and unpaid principal balance of this Note at a rate of ___% percent per annum. Interest shall be computed on a 360 day year, multiplied by the actual number of days in the period.

2. Term /Repayment of Principal and Interest.

(a) Borrower shall pay to Lender \$_____ each month (each, a “Monthly Payment” and collectively, the “Monthly Payments”) during the Term of this Note (as defined in (c) below). Each Monthly Payment must be made on the fifteenth (15th) day of each month beginning on the fifteenth (15th) day of the month occurring at least 30 days after the opening of Borrower’s BIG AL’S STEAKS Restaurant (the “Initiation Date”).

(b) The Monthly Payments described in (a) above shall continued to be paid to Lender until the loan is paid in full. Borrower will make principal payments only; interest on the Loan will be imputed at the rate indicated in paragraph 1 above and the Lender will issue an annual 1099 to Borrower for the imputed interest.

(c) A final payment of all outstanding principal and interest shall be due and payable in full not later than ___ months after the Initiation Date (the “Term”).

(d) All amounts payable hereunder are payable in lawful money of the United States of America at the Lender’s address in immediately available funds. All Monthly Payments shall be applied first to accrued interest due on the unpaid balance of principal, second to unpaid principal and finally the remainder of such payments shall be applied on account of any other charges outstanding hereunder.

3. Prepayment Privilege/ Prepayment Premium: This Note may be prepaid in whole or in part at any time without premium or penalty.

4. Integration. The terms and conditions of this Note are integral to and referenced within the Franchise Agreement between Borrower and Lender dated _____.

5. Default and Remedies. The occurrence of any of the following events constitutes an event of default under this Promissory Note (each an “**Event of Default**”):

(a) Borrower fails to pay when due a Monthly Payment,

(b) Borrower defaults in the performance of any of the covenants, conditions, or agreements contained in this Promissory Note or in any other agreement between Borrower (or its affiliates) and Lender (or its affiliates), including, but not limited to, the Franchise Agreement,

(c) Borrower takes any action concerning its liquidation or dissolution or the cessation of substantially all of its business activities or shall sell, exchange or otherwise dispose of substantially all of its assets or

(d) Borrower becomes insolvent or is unable to pay its debts as they mature or admits in writing its inability to pay its debts as they mature or shall make a general assignment for the benefit of creditors or shall become or be adjudicated a bankrupt or shall voluntarily file a petition in bankruptcy or shall apply for or permit the appointment of a receiver or a trustee (who is not discharged within a period of thirty days after such appointment) for any substantial portion of its property or assets. In the case of any Event of Default, Lender may, at its option by written notice to Borrower, declare immediately due and payable the unpaid Principal Amount due hereunder. The Lender may take any action or proceeding at law or in equity which Lender deems advisable to collect and enforce payment of all amounts due under this Promissory Note, whether by reason of maturity of such amounts or acceleration thereof pursuant to an Event of Default. An Event of Default under this Promissory Note shall constitute a default under any other agreement between Borrower (or its affiliates) and Lender (or its affiliates), including the Franchise Agreement

7. Waiver. Except for such notices as are specifically required by this Note, the undersigned hereby waives presentment for payment, demand, notice of nonpayment, notice of protest and protest of this Note, and all of the notices in connection with delivery, acceptance, performance, default or enforcement of the payment of this Note. The failure by the Lender to exercise any right or remedy shall not be taken to waive the exercise of the same thereafter for the same or any subsequent Default.

8. Notices. All notices and communications required to be given to any of the parties hereunder shall be in or writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by Federal Express or similar overnight courier, or by facsimile upon confirmation, or by certified or registered mail, return receipt requested, postage prepaid to the address first appearing in this Note, or such other address given in writing to the other parties specified herein. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

9. Governing Law. The laws of the State of Florida shall govern the interpretation, validity, performance and enforcement of this Note (without reference to choice of law principles).The Borrower intends this Note to be a sealed instrument and to be legally bound hereby.

10. Waiver of Jury Trial. Borrower and Lender hereby waive all rights to a jury trial in any litigation regarding the Loan.

11. Personal Guarantee. If Borrower is a legal entity, all owners of Borrower agree to sign the Personal Guarantee attached to this Promissory Note.

12. If any term or provision of this Note or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Note shall be valid and be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF and intending to be legally bound hereby, the Borrower has executed this Promissory Note on the year and date first above written.

LENDER:

BORROWER:

BIG Al's Steaks A&S, Inc.

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE PROMISSORY NOTE

In consideration of the execution of the Promissory Note by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Promissory Note, to be paid, kept and performed by the Borrower.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Promissory Note, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Promissory Note containing the identical terms and conditions of the Promissory Note.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Borrower or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by Borrower's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Promissory Note, or the amendment or extension of the Promissory Note with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

BORROWER: _____

PERSONAL GUARANTORS:

Individually

Print Name

Address

City State Zip Code

Telephone

Individually

Print Name

Address

City State Zip Code

Telephone

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in subparagraph 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually

Print Name

Address

City State Zip Code

Telephone

Individually

Print Name

Address

City State Zip Code

Telephone

**ACKNOWLEDGMENT ADDENDUM TO
BIG AL'S STEAKS FRANCHISE AGREEMENT**

As you know, you and we are entering into a Franchise Agreement for the operation of a BIG AL'S STEAKS franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement? Check one: Yes No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: Yes No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one Yes No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: No Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee or other person speaking on behalf of Big Al's Steaks A & S, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any BIG AL'S STEAKS location or business, or the likelihood of success at your franchised business? Check one: No Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Big Al's Steaks A & S, Inc. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: Yes No. If yes, please comment: _____

7. Except as stated in Item 19, did any employee or other person speaking on behalf of Big Al's Steaks A & S, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any BIG AL'S STEAKS location or business, or the likelihood of success at your franchised business? Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation: _____

8. Do you understand that that the franchise granted is for the right to operate a Restaurant at the authorized location within the Designated Area only and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your Designated Area? Check one: Yes No. If no, please comment: _____

9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning the franchise for the Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding? Check one: Yes No. If no, please comment: _____

10. Do you understand that the success or failure of your Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the BIG AL'S STEAKS trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Restaurant may change? Check one Yes No. If no, please comment: _____

11. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Subparagraph 10.D and that an injunction is an appropriate remedy to protect the interest of the BIG AL'S STEAKS system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in subparagraph 10.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one Yes No. If no, please comment: _____

12. On the receipt pages of your Disclosure Document you identified _____

 as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one Yes No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF
BIG AL'S STEAKS A & S, INC.

Signed _____
Print Name: _____
Date: _____

By: _____
Title: _____
Date: _____

fb.us.6603930.05

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

BIG AL'S STEAKS® Area Development Agreement

Big Al's Steaks A&S, Inc.
450 East Atlantic Avenue
Delray Beach, Florida 33483

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APPENDICES

- A. DATA SHEET
- B. DEVELOPMENT TERRITORY
- C. DEVELOPMENT SCHEDULE

BIG AL'S STEAKS®
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made this ____ day of _____, 20 __, between BIG AL'S STEAKS A&S, INC., a Florida corporation with its principal business located at 450 East Atlantic Avenue, Delray Beach, Florida 33483 ("we" or "us"), and "Developer" or "you" as identified on the Data Sheet attached as Appendix A (the "Data Sheet"). If the developer is a corporation, partnership or limited liability company, certain provisions of the Agreement also apply to your owners and will be noted.

RECITALS

A. We have developed a unique system for a quick service restaurant that features Philadelphia steak sandwiches and similar "hoagie" submarine-style sandwiches, hot dogs, French fries and other products, beverages and services using certain standards and specifications;

B. Many of the food and beverage products are prepared according to specified recipes and procedures;

C. Our Affiliate, Big Al's Steaks, Inc., owns the BIG AL'S STEAKS Trademark and other trademarks used in connection with the operation of a BIG AL'S STEAKS restaurant;

D. Our Affiliate has granted us the right to sublicense the right to develop and operate BIG AL'S STEAKS Restaurants;

E. You desire to develop and operate several BIG AL'S STEAKS restaurants; and

F. We have agreed to grant you the right to develop several BIG AL'S STEAKS restaurants subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. "Gross Sales" includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, whether under any of the Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Restaurant or on its premises as well as all license and use fees. Gross Sales excludes sales tax.

B. "Menu Items" means the Philadelphia steak sandwiches and similar "hoagie" submarine-style sandwiches, hot dogs, French fries, beverages and other products prepared according to our specified recipes and procedures, as we may modify from time to time.

C. "Manual" or "Operations Manual" means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for your BIG AL'S STEAKS Restaurant, all of which we may change from time to time.

D. "Principal Owner" means any person or entity who, now or hereafter, directly or indirectly owns a 51% or greater interest in the developer when the developer is a corporation, limited liability company, or a similar entity other than a partnership entity. If the developer is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage of ownership interest. If the developer is one or more individuals, each individual is a Principal Owner of the developer. Your Principal Owner(s) are identified on the Data Sheet. Every time there is a change in the persons who are your Principal Owners, you must, within 10 days from the date of each change, update the Data Sheet. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

E. "Restaurants" means the BIG AL'S STEAKS Restaurants you develop and operate pursuant to this Agreement.

F. "System" means the BIG AL'S STEAKS System, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures together with sales promotion programs, all of which we may modify and change from time to time.

G. "Trademarks" means the BIG AL'S STEAKS Trademark and Service Mark that have been registered in the United States and elsewhere and the trademarks, service marks and trade names set forth in each Franchise Agreement, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurants. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Restaurants from time to time.

GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate _____ (___) BIG AL'S STEAKS Restaurants (the "Restaurants") within the territory described on Appendix B ("Development Territory").

B. You are bound by the development schedule ("Development Schedule") set forth in Appendix C. Time is of the essence for the development of each Restaurant in accordance with the Development Schedule. Each Restaurant must be developed and operated pursuant to a separate Franchise Agreement that you enter into with us pursuant to Section 4.B below.

C. If you are in compliance with the Development Schedule set forth on Appendix C, we will not develop or operate or grant anyone else a franchise to develop and operate a BIG AL'S STEAKS Restaurant business (except for the Special Sites as defined in Section 2.D or as otherwise set forth in this Agreement) in the Development Territory prior to the earlier of (i) the expiration or termination of this Agreement; (ii) the date on which you must execute the Franchise Agreement for your last restaurant pursuant to the terms of the Development Schedule or (iii) the date on which the Designated Area for your final Restaurant under this Agreement is determined. However, in the event that the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will expire upon the earliest of (1) any of the foregoing

events or (2) the date when the Designated Area for your final Restaurant to be developed in such city, county or designated market area under this Agreement is determined. Notwithstanding anything in this Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory will expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, BIG AL'S STEAKS restaurants in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated. At the time you execute your final Franchise Agreement under the Development Schedule, you must have an Authorized Location for your final Restaurant.

D. The rights granted under this Agreement are limited to the right to develop and operate Restaurants located in the Development Territory, and do not include (i) any right to sell products and Menu Items identified by the Trademarks at any location or through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), other than at Restaurants within the Development Territory, (ii) any right to sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned restaurants at any time or at any location outside of the Development Territory. You may not use any of the words BIG, AL'S or STEAKS or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity.

You acknowledge and agree that we and our affiliates have the right to operate and franchise others the right to operate restaurants or any other business within and outside the Development Territory under trademarks other than the BIG AL'S STEAKS Trademarks, without compensation to any franchisee, except that our operation of, or association or affiliation with, restaurants (through franchising or otherwise) in the Development Territory that compete with BIG AL'S STEAKS restaurants in the quick service restaurant segment will only occur through some form of merger or acquisition with an existing restaurant chain. Outside of the Development Territory, we and our affiliates have the right to grant other franchises or develop and operate company or affiliate owned BIG AL'S STEAKS restaurants and offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names or through any distribution channel or method, all without compensation to any franchisee.

We and our affiliates have the right to offer, sell or distribute, within and outside the Development Territory, any frozen, pre-packaged items or other products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

You acknowledge and agree that certain locations within the Development Territory are by their nature unique and separate in character from sites generally developed as BIG AL'S STEAKS restaurants. As a result, you agree that the following locations ("Special Sites") are excluded from the Development Territory and we have the right to develop or franchise such locations: (1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) community and special events.

E. This Agreement is not a Franchise Agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or restaurant or use the System or the Trademarks.

DEVELOPMENT FEE

3. You must pay a Development Fee as described below:

A. As consideration for the rights granted in this Agreement, you must pay us a "Development Fee" in the amount designated on the Data Sheet, representing the entire \$27,500 Initial Franchise Fee for your first Restaurant and half of the Initial Franchise Fee for each additional Restaurant to be developed under this Agreement.

The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon receipt and is non-refundable. The part of the Initial Franchise Fee that is included in the Development Fee is credited against the Initial Franchise Fee payable upon the signing of each individual Franchise Agreement. The balance of the Initial Franchise Fee for each subsequent Restaurant is due as specified in Section 3.B.

B. You must submit a separate application for each Restaurant to be established by you within the Development Territory as further described in Section 4. Upon our consent to the site of your Restaurant, a separate Franchise Agreement must be executed for each such Restaurant, at which time the balance of the Initial Franchise Fee for that Restaurant is due and owing. Such payment represents the balance of the appropriate Initial Franchise Fee, as described above in Section 3.A. Upon the execution of each Franchise Agreement, the terms and conditions of the Franchise Agreement control the establishment and operation of such Restaurant.

DEVELOPMENT SCHEDULE

4. The following provisions control with respect to your development rights and obligations:

A. You are bound by and strictly must follow the Development Schedule. By the dates set forth under the Development Schedule, you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Restaurants described under the Development Schedule. You also must comply with the Development Schedule requirements regarding (i) the opening date for each Restaurant and (ii) the cumulative number of Restaurants to be open and continuously operating for business in the Development Territory. If you fail to either execute a Franchise Agreement or to open a Restaurant according to the dates set forth in the Franchise Agreement, we have the right to immediately terminate this Agreement pursuant to Section 7.B.

B. You may not develop a Restaurant unless (i) at least 45 days, but no more than 60 days, prior to the date set forth in the Development Schedule for the execution of each Franchise Agreement, you send us a notice (a) requiring that we send you our then current disclosure documents, (b) confirming your intention to develop the particular Restaurant and (c) sending us all information necessary to complete the Franchise Agreement for the particular Restaurant, and (ii) all of the following conditions have been met (these conditions apply to each Restaurant to be developed in the Development Territory):

1. Your Submission of Proposed Site. You must find a proposed site for the Restaurant which you reasonably believe to conform to our site selection criteria, as modified by us from time to time, and submit to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for such site.

2. Our Consent to Proposed Site. You must receive our written consent to your proposed site. We agree not to unreasonably withhold consent to a proposed site. In approving or disapproving any proposed site, we will consider such matters as we deem material, including demographic characteristics of the proposed site, traffic patterns, competition, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase or lease obligations for the proposed site) and the size of premises, appearance and other physical characteristics. Our consent to a proposed site, however, does not in any way constitute a guaranty by us as to the success of the Restaurant.

3. Your Submission of Information. You must furnish to us, at least 30 days prior to the earliest of (i) the date set forth in the Development Schedule by which you must execute a Franchise Agreement or (ii) the actual date in which the Franchise Agreement would be executed, a franchise application for the proposed Restaurant, financial statements and other information regarding you, the operation of any of your other Restaurants within the Development Territory and the development and operation of the proposed Restaurant (including, without limitation, investment and financing plans for the proposed Restaurant) as we may reasonably require.

4. Your Compliance with Our Then-Current Standards for Franchisees. You must receive written confirmation from us that you meet our then-current standards for franchisees, including financial capability criteria for the development of a new Restaurant. You acknowledge and agree that this requirement is necessary to ensure the proper development and operation of your Restaurants, and preserve and enhance the reputation and goodwill of all BIG AL'S STEAKS restaurants and the goodwill of the Trademarks. Our confirmation that you meet our then-current standards for the development of a new Restaurant, however, does not in any way constitute a guaranty by us as to your success.

5. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Restaurants.

6. Execution of Franchise Agreement. You and we must enter into our then-current form of Franchise Agreement for the proposed Restaurant. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Restaurant must be in accordance with the terms of the applicable Franchise Agreement.

C. You must construct and equip each Restaurant in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, design and layout of the building. You may not commence construction on any Restaurant until you have received our written consent to your building plans.

D. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of Restaurants within the Development Territory, and recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your management and employees. We expressly disclaim the making of, and you acknowledge that you have not received, any estimates, projections, warranties or guaranties, express or implied, regarding potential gross sales, profits, earnings or the financial success of the Restaurants you develop within the Development Territory.

E. You recognize and acknowledge that this Agreement requires you to open Restaurants in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Restaurants likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all the Restaurants on the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Restaurants, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Restaurants.

TERM

5. Unless sooner terminated in accordance with Section 7 of this Agreement and subject to the terms detailed in Section 2.C, the term of this Agreement and all rights granted to you will expire on the date that your last BIG AL'S STEAKS Restaurant is scheduled to be opened under the Development Schedule.

YOUR DUTIES

6. You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including the operating requirements specified in each Franchise Agreement.

B. You and your owners, officers, directors, shareholders, partners, members and managers (if any) acknowledge that your entire knowledge of the operation of a BIG AL'S STEAKS Restaurant and the System, including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential and constitutes our trade secrets. The term "trade secrets" refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and

any other knowledge or know-how concerning the methods of operation of the Restaurants. You and your owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

C. You must comply with all requirements of federal, state and local laws, rules and regulations.

D. You will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as a result of our receipt or accrual of the Development Fee or other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us not been required.

DEFAULT AND TERMINATION

7. The following provisions apply with respect to default and termination:

A. The rights and territorial protection granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 2, 4 and 6 of this Agreement, including the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreements between you or your affiliates and us or our affiliates. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority, (iii) you make a general assignment or other similar arrangement for the benefit of your creditors, (iv) a final judgment remains unsatisfied of record for 30 days or longer (unless supersedeas bond is filed), (v) execution is levied against your business or property, (vi) suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days, or is not in the process of being dismissed, (vii) you fail to meet the development obligations set forth in the Development Schedule attached as Appendix C, (viii) you violate the provisions of Section 10.O; (ix) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you, or (x) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

8. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Restaurants under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, BIG AL'S STEAKS restaurants in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains the name or any of the words BIG, AL'S or STEAKS or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title, and interest in and to your telephone numbers and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Trademarks and to authorize transfer of same at our direction.

E. You must within 30 days of the termination or expiration pay all sums owing to us and our affiliates, including the balance of the Initial Franchise Fees that we would have received had you developed all of the Restaurants set forth in the Development Schedule.

All unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us as a result of the default. You also must pay to us all damages, costs and expenses, including reasonable attorneys' fees and expenses that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. If this Agreement is terminated solely for your failure to meet the Development Schedule and for no other reason whatsoever, and you have opened at least 50% of the total number of Restaurants provided for in the Development Schedule, you may continue to operate those existing Restaurants under the terms of the separate Franchise Agreement for each Restaurant. On the other hand, if this Agreement is terminated under any other circumstance, we have the option to purchase from you all the assets used in the Restaurants that have been developed prior to the termination of this Agreement. Assets include leasehold improvements, equipment, furniture, fixtures, signs, inventory, and other transferable licenses and permits for the Restaurants.

We have the unrestricted right to assign this option to purchase. We or our assignee will be entitled to all customary warranties and representations given by the seller of a business including, without limitation, representations and warranties as to (i) ownership, condition and title to assets; (ii) liens and encumbrances relating to the assets; and (iii) validity of contracts and liabilities, inuring to us or affecting the assets, contingent or otherwise. The purchase price for the assets of the Restaurants will be determined in accordance with the post-termination purchase option provision in the individual Franchise Agreement for each Restaurant (with the purchase price to include the value of any goodwill of the business attributable to your operation of the Restaurant if you are in compliance with the terms and conditions of the Franchise Agreement for that Restaurant). The purchase price must be paid in cash at the closing of the purchase, which must take place no later than 90 days after your receipt of notice of exercise of this option to purchase, at which time you must deliver instruments transferring to us or our assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you; and (ii) all licenses and permits of the Restaurants that may be assigned or transferred. If you cannot deliver clear title to all of the purchased assets, or in the event there are other unresolved issues, the closing of the sale will be accomplished through an escrow. We have the right to set off against and reduce the purchase price by any and all amounts owed by you to us, and the amount of any encumbrances or liens against the assets or any obligations assumed by us. You and each holder of an interest in you must indemnify us and our affiliates against all liabilities not so assumed. You must maintain in force all insurance policies required pursuant to the applicable Franchise Agreement until the closing on the sale.

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

TRANSFER

9. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you transfer all of your rights and interests under all Franchise Agreements for Restaurants in the Development Territory. Accordingly, the assignment terms and conditions of the Franchise Agreements will apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you.

MISCELLANEOUS

10. The parties agree to the following provisions:

A. You agree to indemnify, defend, and hold us, our affiliates and our officers, directors, shareholders and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and operation of your Restaurants, as well as the costs, including attorneys' fees, of defending against them ("Franchise Claims"). Franchise Claims include, but are not limited to, those arising from any death, personal injury or property damage (whether caused wholly or in part through our or our affiliates' active or passive negligence), latent or other defects in any Restaurant, or your employment practices. In the event a Franchise Claim is made against us or our affiliates, we reserve the right in our sole judgment to select our own legal counsel to represent our interests, at your cost.

B. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

D. This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

E. Except as otherwise provided in this Agreement, any notice, demand or communication provided for must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

1. If intended for us, addressed to Big Al's Steaks A&S, Inc., 450 East Atlantic Avenue, Delray Beach, Florida 33483;
2. If intended for you, addressed to you at the address set forth on the Data Sheet; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

F. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by the Principal Owner or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

G. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 10.N of this Agreement, the parties' rights under this Agreement, and the relationship between the parties, is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Florida.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

H. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Section 10.N must be brought in the state or federal district court located in the county or district encompassing our headquarters. Both parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding, agree to be bound in the manner set forth.

I. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or

similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

J. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

K. If you are a corporation, partnership, limited liability company or partnership or other legal entity, all of your Principal Owners must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner must execute the form of undertaking and guarantee at the end of this Agreement.

L. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis, and the parties and arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the city where our headquarters is located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted below), the parties must first meet to mediate the dispute. The mediation will be held in the city in which our headquarters are located at the time of the mediation. Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

Nothing in this Agreement bars our right to obtain injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Furthermore, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

O. During the term of this Agreement, neither we nor you may employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by the other party or any of its affiliates, or by any franchisee in the system. In the event that you violate this provision, we will have the right to terminate this Agreement without opportunity to cure pursuant to subparagraph 7.B. In addition, any party who violates this provision agrees to compensate the former employer for all costs and expenses incurred in losing and replacing the employee up to a maximum of \$25,000, plus attorneys' fees and expenses. This subparagraph will not be violated if (i) at the time we or you employ or seek to employ the person, the former employer has given its written consent or (ii) we employ or seek to employ the person in connection with the transfer of the Restaurant(s) to us or any of our affiliates. The parties acknowledge and agree that any franchisee from whom an employee was hired by you in violation of this subparagraph shall be a third-party beneficiary of this provision, but only to the extent that they may seek compensation from you.

P. We will designate the "Effective Date" of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement.

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the dates written below.

DEVELOPER:

FRANCHISOR

_____,
a(n) _____

BIG AL'S STEAKS A&S, INC.

Date: _____

Date: _____

By: _____

By: _____

Its: _____

Its: _____

Witness: _____

(Please type or print)

Signature: _____

Date: _____

By: _____

Its: _____

Witness: _____

(Please type or print)

Signature: _____

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PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE AREA DEVELOPMENT AGREEMENT

In consideration of the execution of the Area Development Agreement (the "Agreement") between BIG AL'S STEAKS A&S, INC. ("we" or "us") and _____ (the "Developer"), dated _____, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Developer, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned waives (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Developer or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Developer with or without the undersigned receiving notice thereof.

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

DEVELOPER: _____

PERSONAL GUARANTORS:

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

_____ Individually

_____ Print Name

_____ Address

_____ City State Zip Code

_____ Telephone

Individually

Print Name

Address

City

State

Zip Code

Telephone

Individually

Print Name

Address

City

State

Zip Code

Telephone

APPENDIX A
DATA SHEET

1. **Developer:** _____

2. **Development Fee.** The amount of the Development Fee you must pay to us pursuant to Section 3.A is \$_____.

3. **Principal Owner.** You represent and warrant to us that the following person(s) or entity(ies), and only the following person(s) or entity(ies), will be your Principal Owner(s):

Name	Home Address	Percentage of Ownership

4. **Effective Date:** _____

YOU: _____

WE: BIG AL'S STEAKS A&S, INC.

By _____
Its _____

By _____
Its _____

APPENDIX C

DEVELOPMENT SCHEDULE

You acknowledge and agree that a material provision of the Area Development Agreement is that the following number of BIG AL'S STEAKS Restaurants must be opened and continuously operating in the Development Territory in accordance with the following Development Schedule:

Restaurant Number	Date by Which Franchise Agreement Must be Signed	Date by Which the Restaurant Must be Opened and Continuously Operating for Business in the Territory	Cumulative number of Restaurants Required to be Open and Continuously Operating for Business in the Development Territory as of the Date in Preceding Column
1	Date of this Agreement		1
2			2

For purposes of determining compliance with the above Development Schedule, only the Restaurants actually open and continuously operating for business in the Development Territory as of a given date will be counted toward the number of Restaurants required to be open and continuously operating for business.

DEVELOPER:

By: _____

Its: _____

By: _____

Its: _____

FRANCHISOR

BIG AL'S STEAKS A&S, INC.

By: _____

Its: _____

**ACKNOWLEDGMENT ADDENDUM TO
BIG AL'S STEAKS™ AREA DEVELOPMENT AGREEMENT**

As you know, you and we are entering into Area Development Agreement for the development and operation of BIG AL'S STEAKS™ restaurants. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Area Development Agreement? Check one: Yes No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Area Development Agreement? Check one: Yes No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Area Development Agreement? Check one: Yes No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Except as stated in Item 19, did any employee or other person speaking on behalf of Big Al's Steaks A&S, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any BIG AL'S STEAKS location or business, or the likelihood of success at your franchised business? Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Big Al's Steaks A&S, Inc. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: Yes No. If yes, please comment: _____

7. Do you understand that that the franchise granted is for the right to develop and operate the Restaurants in the Development Territory, as stated in Subparagraph 2.B, and that, according to Subparagraph 2.D, we and our affiliates have the right to distribute products through alternative methods of distribution and to issue franchises or operate competing businesses for or at locations, as we determine, (i) outside of your Designated Area using any trademarks; (ii) inside your Development Territory using any trademarks other than the BIG AL'S STEAKS Trademark; and (iii) inside the Development Territory using the BIG AL'S STEAKS Trademark, for facilities at Special Sites? Check one: Yes No. If no, please comment: _____

8. Do you understand that the success or failure of the development and operation of your Restaurants will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the BIG AL'S STEAKS trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Business may change? Check one Yes No. If no, please comment: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF
BIG AL'S STEAKS A&S, INC.

Signed: _____
Print Name: _____
Date: _____

By: _____
Title: _____
Date: _____

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EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Introduction to the Manual: 7 Pages

- Forward
- Confidentiality Notice
- Purpose of the Manual
- Keeping the Manual Current
- Submitting Suggestions
- Disclaimer(s)

Introduction to Big Al's Steaks: 5 Pages

- Welcome Letter From President
- Who We Are
- History of the Company
- Mission Statement

Overview of Services Provided to Franchisees: 6 Pages

- Initial Training & Support
- Ongoing Training & Support
- Initial Package
- Retail Prices
- Approved Suppliers
- Marketing/PR
- Franchisee Advisory Boards and Other Councils

Overview of Franchisee's Responsibilities: 7 Pages

- Responsibilities to Franchisor
- Responsibilities to Customers
- Responsibilities to Other Franchisees
- Paying Fees & Royalty
- Reports/Audits/ Inspections
- Protecting Your Brand

Pre-Opening Procedures: 43 Pages

- Pre-Opening Timeline and Checklist
- Establishment of a Business Form
- Writing a Business Plan
- Licenses & Permits
- Opening a Bank Account
- Establishing Credit with Vendors
- Insurance Requirements
- Locating & Securing a Location
- Setting Up Your Location
- Initial Package
- Initial Training: Corporate Office
- On-Site Training

Human Resources: 47 Pages

- Job Descriptions
- Staffing
 - o Recruiting
 - o Interviewing Job Applicants
 - o Hiring
- Training
- Required Dress Code
- Performance Evaluations
- Suggested Sections for Your Employee Handbook
- Terminations & Resignations
- Local, State, And Federal Laws
 - o EEOC
 - o Wage & Labor Laws

Business Operations & Policies: 23 Pages

- Sales and Pricing
- Building Your Business
- Customer Service Procedures
- Handling Typical Complaints, Problems, Incidents
- Quality Standard
- Cash Handling Procedures
- Banking Procedures
- Royalty Reporting
- Technology/ Website

Cheese Steaks 101: 40 Pages

- The Sales Process
- Products
- Prep Work
- Opening Procedures
- Closing Procedures
- Ordering & Inventory
- Safety & Security
- Cleaning & Equipment Maintenance

Marketing: 25 Pages

- Advertising Requirements
- Marketing Cooperatives
- Approved Types of Advertising
- Use of Logo and Approved Materials
- Obtaining Advertising Approval
- Local Marketing
- Community Events & Involvement

Appendix: 19 pages

- Forms
- Check lists

Total pages: 222

EXHIBIT F
SAMPLE RELEASE

RELEASE OF CLAIMS

For and in consideration of the Agreements and covenants described below, Big Al's Steaks A & S, Inc. ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of \$_____ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 2011

BIG AL'S STEAKS A & S, INC.

By _____

Its _____

Dated: _____, 2011

FRANCHISEE: _____

By _____

EXHIBIT G

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Big Al's Steaks A & S, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa, New York, Oklahoma and Rhode Island require that Big Al's Steaks A & S, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, Washington and Wisconsin require that Big Al's Steaks A & S, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Big Al's Steaks A & S, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Big Al's Steaks A & S, Inc., located at 450 E. Atlantic Avenue, Delray Beach, Florida 33483. Its telephone number is (561) 819-0399.

Issuance Date: April 18, 2011, as amended November 1, 2011

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

Big Al's Steaks A & S, Inc. authorizes the respective state agencies identified on Exhibit A and the agent for service of process identified in Item 1 to receive service of process for it.

I have received the 2011 Franchise Disclosure Document. This Disclosure Document included the following Exhibits: A) List of State Agencies; B) Financial Statements; C) Franchise Agreement; D) Area Development Agreement; E) Operations Manual Table of Contents; F) Sample Release; and G) Receipts.

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Copy for Franchisee

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Big Al's Steaks A & S, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

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I have received the 2011 Franchise Disclosure Document. This Disclosure Document included the following Exhibits: A) List of State Agencies; B) Financial Statements; C) Franchise Agreement; D) Area Development Agreement; E) Operations Manual Table of Contents; F) Sample Release; and G) Receipts.

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Copy for Big Al's Steaks A & S, Inc.