-

FRANCHISE DISCLOSURE DOCUMENT

Steak n Shake Enterprises, Inc. (an Indiana Corporation)
107 South Pennsylvania St., Suite 400
Indianapolis, Indiana 46204
Tel. (317) 633-4100
URL: http://www.steaknshakefranchise.com
Email: legal@steaknshake.com

As a franchisee, you will own and operate a Steak n Shake By Biglari Restaurant.

The total investment necessary to begin operation ranges from $316,000 to $2,656,425 for a Steak n Shake by Biglari Restaurant. These totals include approximately $25,000 to $35,000 that must be paid to us or our affiliates. If you sign an Area Development Agreement, you will pay us a Per Unit Deposit of $20,000 to $25,000 per location (applicable to the Franchise Fee) and a Territory Fee of $0 to $20,000 per location, which amounts are multiplied by the number of restaurants you will develop.

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 governmental 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 Rebecca Willis at 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204, (317) 656-4574, rebecca.willis@steaknshake.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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, D.C. 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: May 8, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit "C".
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit "G" includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Steak n Shake business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Steak n Shake franchisee?	Item Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit "A".

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See Exhibit H for the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution**. The Franchise Agreement requires you to resolve disputes with us by litigation only in Indiana. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in Indiana than in your own state.

2. **Governing Law**. The Franchise Agreement states that Indiana law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.

3. **Ownership of Trademarks**. The franchisor does not own the trademarks you will use. You must enter into a separate agreement with the franchisor's affiliate to use those trademarks. That arrangement complicates and limits your rights to the trademarks.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

MICHIGAN NOTICE

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

(a) A prohibition against you joining an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which would deprive you of rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits us to terminate your franchise prior to the expiration of its term except for good cause. Good cause includes your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means, for the fair market value at the time of expiration, of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This provision applies only if:

(i) The term of the franchise is less than five years; and

(ii) You are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise, or if you do not receive at least six months advance notice of our intent not to renew the franchise.

(e) A provision that permits us to refuse to renew the franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This provision does not require a renewal provision in the Franchise Agreement or other agreement.

(f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of the arbitration, to conduct arbitration at a location outside of Michigan.

(g) A provision which permits us to refuse to permit a transfer of ownership of the franchise, except for good cause. This provision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

(i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of ours.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with the franchisor. This does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does it prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in (c), above.

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions concerning this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Unit, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913; 517-373-7117.

Table of Contents

Item **Page**

1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES....1
2. BUSINESS EXPERIENCE....5
3. LITIGATION....5
4. BANKRUPTCY....8
5. INITIAL FEES....8
6. OTHER FEES....11
7. ESTIMATED INITIAL INVESTMENT..... 15
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICE....23
9. FRANCHISEE'S OBLIGATIONS....29
10. FINANCING....31
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING....32
12. TERRITORY....47
13. TRADEMARKS....49
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION....52
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS....54
16. RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL....56
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION....56
18. PUBLIC FIGURES....66
19. FINANCIAL PERFORMANCE REPRESENTATIONS....67
20. OUTLETS AND FRANCHISEE INFORMATION....73
21. FINANCIAL STATEMENTS....90
22. CONTRACTS....90
23. RECEIPTS....91

EXHIBITS:

A. List of State Franchise Administrators and List of Agents for Service of Process

B. List of Agents for Service of Process

C. Lists of Franchised and Former Franchised Restaurants

D. Steak n Shake Inc.'s Guarantee of Performance and Auditor's Consent

E. Sample Mutual Release

F. Form of Confidentiality Agreement

G. For Consolidated Financial Statements of Steak n Shake Inc. as of December 31, 2025 and December 25, 2024 and for the fifty-three weeks ended December 31, 2025, and for the fifty-two weeks ended December 25, 2024, and December 27, 2023 and Independent Auditor's Report see attached Exhibit G.

H. State-Specific Disclosures and State-Specific Addendums to Agreements

I. Area Development Agreement

Appendix A - Area Development Agreement Terms

Appendix B - Personal Covenants of Principal Owners

J. Franchise Agreement

Appendix A	Franchisee Information
Appendix B-1	Personal Guaranty and Personal Covenants of Principal Owners
Appendix B-2	Confidentiality and Waiver Agreement
Appendix C	Addendum to Lease Agreement
Appendix D	Declaration of Franchise Agreement
Appendix E	Pre-Authorized Bank Transfer
Appendix F	Architect Qualifications
Rider 1	Expiration of Franchise Agreement
Rider 2	Turnover Date Commitment Form
Rider 3	Franchisor's Consent to Restaurant Opening
Exhibit 1	SBA Addendum To Franchise Agreement
Exhibit 2	Form of Waiver and Indemnity Agreement

K. License Agreement

L. Eyes Wide Open Compliance Certification

M. Receipts

APPLICABLE STATE LAWS MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE AN ADDENDUM TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND AMENDMENTS, IF ANY, APPEAR IN EXHIBIT H.

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and its Predecessors, Parent Company, and Affiliates

To simplify the language in this Disclosure Document, "**Steak n Shake By Biglari**", "**SNS Enterprises**", "**we**" and "**us**" means Steak n Shake Enterprises, Inc., the Franchisor, but does not include our officers or directors. "**You**" means the person to whom we grant the Franchise, and if you are a corporation, partnership, or limited liability company, certain provisions of the Franchise Agreement, Area Development Agreement and License Agreement will include your owners. Those individuals or entities owning ten percent (10%) or more in your business are referred to as "Principal Owners".

SNS Enterprises was incorporated in Indiana on December 9, 2005 and is a wholly-owned subsidiary of Steak n Shake Inc., previously known as "Steak n Shake Operations, Inc." prior to a name change effective October 28, 2015 ("Steak n Shake"). Until December 2005, Steak n Shake sold Steak n Shake franchises but in connection with a reorganization, Steak n Shake transferred the franchise business to SNS Enterprises, which is the only entity that franchises Steak n Shake By Biglari Restaurants, which are also sometimes referred to as "Restaurants" in the United States. Steak n Shake owns and operates the Steak n Shake and Steak n Shake By Biglari company-operated restaurants (hereinafter referred to as "company-operated restaurants").

Our Parent is a wholly-owned subsidiary of The Steak n Shake Company, an Indiana corporation. The Steak n Shake Company is a wholly-owned subsidiary of Biglari Holdings Inc. ("Biglari Holdings"), an Indiana corporation founded by Sardar Biglari. Biglari Holdings' common stock is quoted under the symbols "BH.A" and "BH" on the New York Stock Exchange, and its principal business address is 19100 Ridgewood Parkway, Suite 1200, San Antonio, TX 78259. Our principal business address is 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204. Steak n Shake Inc. is located at 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204.

In 1939, Steak n Shake began offering a limited number of franchises for Steak n Shake® restaurants, but it did not make a general offering to sell franchises until 1991. Neither SNS Enterprises nor Steak n Shake has ever offered franchises for products or services other than Steak n Shake® or Steak n Shake By Biglari Restaurants. As of December 25, 2024 ("FY24") there were ninety-three (93) franchised Steak n Shake® restaurants within the U.S. located in the following states: Alabama-2; Arkansas-3; California-2; Florida-4; Georgia-11; Illinois-7; Iowa-1; Kentucky-5; Louisiana-1; Michigan -1; Mississippi-4; Missouri-18; Nebraska-1; Nevada-4; North Carolina-1; Ohio-1; Oklahoma-1; South Carolina-2; Tennessee-4; Texas-3; Virginia-4; West Virginia-2.

Our affiliate, Steak n Shake, LLC (the **"Licensor"**), a wholly-owned subsidiary of Steak n Shake, owns the trademarks, service marks, trade names, including the trademark "STEAK N SHAKE®", Steak n Shake By Biglari, and commercial symbols and related logos, distinctive names, and elements, trade dress, designs, and insignia which either we or the Licensor may designate from time to time for use in connection with the operation of the Steak n Shake By Biglari Restaurants ("Marks"). You will be granted the right to use Marks as we or the Licensor determine are necessary and appropriate for use in the System during the term of the Franchise Agreement. The principal business address of the Licensor is the same as ours.

In August 2018 Steak n Shake initiated a franchise partnership to transition company operated restaurants to franchisees under a separate Disclosure Document ("Franchise Partner Disclosure Document"). In the Franchise Partner Disclosure Document, we are offering certain qualified employees of our Parent and other qualified third parties (in either case, "Franchise Partners") the opportunity to acquire an existing Company-owned Steak 'n Shake Restaurant and to operate it as a franchise on the terms described in the Franchise Partner Disclosure Document and the accompanying exhibits. Those terms differ from the terms that apply to this Disclosure Document. While the Steak 'n Shake Restaurants in both types of offerings will be operated under the same Steak 'n Shake System, the economic terms of the two types of offerings differ. Among other differences, a Steak 'n Shake Franchise Partner pays an initial franchise fee of only $10,000 with the expectation that the Franchise Partner will make a substantial, personal investment of time directly operating, directing, and otherwise supervising the Steak 'n Shake Restaurant business. We seek prospective Franchise Partners under the Franchise Partner Dislosure Document on a continuing basis and offer some of them the right to become Franchise Partners depending on their qualifications and the availability and location of Company-owned Restaurants needing a Franchise Partner.

Other Franchise Businesses Affiliated With Biglari Holdings

Biglari Holdings acquired Western Sizzlin Corporation, a Delaware corporation (''WSC'') on March 30, 2010. Prior to the acquisition, WSC was a public company and its common stock was quoted under the symbol "WEST" on the NASDAQ. WSC is not involved in our sale of Steak n Shake By Biglari franchises nor does it provide any goods or services to our franchisees.

WSC's wholly-owned subsidiary, Western Sizzlin Franchise Corporation ("WSF"), a Delaware corporation sells franchises for Western Sizzlin Steak & More Restaurants and Western Sizzlin Express Restaurants, which serve steak, chicken and seafood dishes in a cafeteria-style line and full service format. Western Sizzlin Steak & More Restaurants also feature a buffet that may be ordered as a meal or in addition to a meal. Western Sizzlin Express Restaurants have a more limited menu and do not feature a buffet. WSF also grants franchises for Western Sizzlin's Wood Grill Buffet Restaurants, which serve steak, chicken, seafood, salads and desserts in a buffet format with display cooking in a full service or line service atmosphere format. WSF also previously granted a limited number of franchises under the names "Quincy's Family Steakhouse," "Great American Buffet Restaurant" and "Great American Steak and Buffet". As of FY25 there were twenty eight (28) WSF franchised locations and three (3) WSF company-owned locations operating in the United States.

Agents for Service of Process

Our agents for service of process in each state are listed in Exhibit B.

The Franchise We Offer

Steak n Shake By Biglari is a classic American brand serving premium burgers and milk shakes. Our mission is constantly to serve our patrons the highest quality burgers and shakes along with extending them great service at the lowest possible prices. We offer the public a high standard of quality and uniformity in food, service and décor. We offer franchises for restaurants operating under the name Steak n Shake By Biglari with various operating formats.

We offer a quick-service format that features only core menu items and in some cases beer and wine (where permitted by law) ("quick-service format"). Our quick-service format is designed for free-standing and in-line locations of approximately 2,750 SF with over fifty (50) seats including dining room, delivery and carryout service and, depending on location, drive-thru service. The quick-service

format may also operate from smaller facilities ranging in size from approximately 400 SF to 2,400 SF such as food courts, universities, airports, and arenas ("non-traditional locations") with seating typically limited to common areas.

Prior to the filing of this Franchise Disclosure Document, we offered a "Classic" format featuring our full menu with table service, in primarily free-standing locations ranging from approximately 3,000 SF to 3,200 SF and includes a dining area with approximately 85 – 90 seats, along with drive-thru, delivery and carry-out service under the traditional franchise program. As of the Effective Date, we no longer offer the "Classic" format under the traditional franchise program.

Steak n Shake By Biglari Restaurants are established and operated according to a unique and distinctive system we developed (the "System")[1]. Distinguishing characteristics of the System include distinctive exterior and interior architectural design and layout; decorative color scheme and trade dress; advertising and promotional programs; menu and merchandising; and standardized methods of preparing and serving certain food products and beverages for on-premises and off-premises consumption. We describe our required standards, specifications, minimum and maximum pricing, promotions, policies, and operating procedures in our confidential Manual, along with merchandising and operating aids, bulletins, newsletters, reports, training requirements and guides, and other material and electronic media issued from time to time (collectively, the "Manual"). We will provide you with access to the Manual for the term of your franchise, which may be in paper copy, or, at our option, exclusively in an electronic or web-based format. We have the right to change the Manual and the elements of the System. Elements of the System may vary based on the format or building prototype you operate. If we provide you with access to the Manual via a website or extranet, you agree to monitor and access the website or extranet for any updates to the Manual.

We identify the System by means of the "Steak n Shake By Biglari" name and mark and certain other Marks that we or our affiliate, the Licensor, have designated, or may in the future designate, for use with the System. We and/or our affiliate, the Licensor, may modify the Marks used to identify the System from time to time.

The Franchise Agreement

Pursuant to our standard Unit Franchise Agreement (the "**Franchise Agreement**"), attached as Exhibit J and our affiliate's License Agreement attached as Exhibit K, we grant franchises to qualified individuals to own and operate Restaurants, offering the products and services we have approved and using our business systems, operating procedures and assistance. Steak n Shake By Biglari seeks franchisees with both the financial resources necessary to fund successful development and significant experience in the restaurant/retail business.

Area Development Agreement

Pursuant to our standard Area Development Agreement ("**ADA**"), attached as Exhibit I, we may elect to grant to certain franchisees limited exclusive rights for a defined period to develop Restaurants in a defined geographical area (a "Development Area"). We grant ADAs in our sole discretion. If you sign an ADA with us, you will be obligated to open an agreed upon number of Restaurants as of specified dates to maintain the exclusive territory development right granted by the ADA. You must sign a separate Franchise Agreement for each Restaurant you open under the ADA, subject to our consent to each Restaurant location.

[1] The System includes those restaurants currently operating under the tradename "Steak n Shake", "Steak n Shake By Biglari" and "Steak n Shake Signature".

The Market and Competition

As a premium burger chain, we compete with other quick-service restaurants. Our competitors include national, regional and local establishments. There may be established competitors with financial and other resources which are greater than ours. We face competition in securing the best location, hiring and retaining qualified employees, and attracting loyal guests. The restaurant business is highly competitive based on price, service, location, and food quality and is often affected by changes in consumer tastes and by economic conditions and demographic trends. The performance of individual restaurants may be affected by factors such as traffic patterns, demographic factors, harsh weather conditions, and the type, number, and location of competing restaurants.

Industry-Specific Regulations

The restaurant industry is governed by federal, state, and local laws and health regulations concerning the preparation and storage of food products, as well as general laws such as the Americans with Disabilities Act, Federal Wage and Hour Laws, the Immigration Reform and Control Act of 1986, and the Occupation, Health and Safety Act.

If you operate a Steak n Shake By Biglari Restaurant selling beer and wine, you will need to obtain a liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws addressing injuries directly and indirectly related to the sale of liquor and its consumption. You will need to understand and comply with those laws in operating the Restaurant.

You should investigate whether there are regulations or requirements that apply in the geographic area in which you are interested in locating your franchise and should consider their effects and the cost of compliance with those requirements.

Recent Developments:

The novel coronavirus (‘COVID-19”), declared a pandemic by the World Health Organization in March 2020, caused governments to impose restrictive measures to contain its spread. Those shutdowns significantly affected our operating businesses to varying degrees including, during our most recent fiscal year. The risks and uncertainties resulting from the pandemic may continue to affect our future earnings, cash flows, and financial condition.

ITEM 2

BUSINESS EXPERIENCE

Chairman & Chief Executive Officer: Sardar Biglari
Mr. Biglari is the Founder, Chairman and Chief Executive Officer of Biglari Holdings and Biglari Capital Corp. Mr. Biglari is based in San Antonio, Texas.

Chief Administrative Officer: Steven L. May
Mr. May is the Chief Administrative Officer for SNS Enterprises and Steak n Shake. He has served as an officer of Steak n Shake since 2019 after joining Steak n Shake in 2009. Mr. May is based in Indianapolis, Indiana.

Daniel Edwards – Chief Operations Officer
Mr. Edwards is currently the Chief Operations Officer for Steak n Shake and has served in this position since March 2024. From October 2014 until March 2024, Mr. Edwards was Chief Executive Officer for Creative Texts Publishers, LLC. From November 2020 until January 2023, Mr. Edwards was President of Cigars International Retail and Division Vice President for Scandinavian Tobacco Group. From June 2019 until November 2020, Mr. Edwards worked for The Coca-Cola Company Global Ventures Group. Prior to that, Mr. Edwards was a US Region Director on the McDonald's business from February 2016-June 2019. From July 2010-February 2016, Mr. Edwards was Head of US Development for Tim Hortons, Inc. based in Oakville, ON. Mr. Edwards is based in San Antonio, TX.

ITEM 3

LITIGATION

PENDING CASES

ST MAX B, CUISINES ENTRETIEN ET DÉPANNAGE, LA SOCIÉTÉ FAST SERVICES AND DJILALI BAZIZEN VS. STEAK N SHAKE INTERNATIONAL, S.A.R.L. (Paris Commercial Court CASE NO. 202335201)

In April 2023, St Max B (an international franchisee operating a restaurant located in Saint Maximin, France), Cuisines entretien et dépannage (an international franchisee operating a restaurant located in in Créteil, France), Fast Services (an international franchisee operating a restaurant located in Compiègne, France) and Djilali Bazizen (the natural person running the foregoing restaurants) (collectively the "Bazizen Entities") filed a subpoena against Steak n Shake International, S.A.R.L. ("Steak n Shake International") before the Paris Commercial Court.

The Bazizen Entities filed for bankruptcy protection and are now each represented by an official receiver ("liquidateur judiciaire"). The Bazizen Entities allege that Steak n Shake International

did not comply with certain contractual and legal obligations in the franchise agreements and allege that: A) the concept and know-how provided by Steak n Shake International has not been adapted to the French market: B) Steak n Shake International has not provided any assistance to the Bazizen Entities; C) Steak n Shake International has not carried out any major advertising campaign and not provided justification for the advertising activities; and D) the Bazizen Entities were not permitted to set their own prices.

Steak n Shake International filed a response rejecting all claims asserted by the Bazizen Entities and asserted a counterclaim for unpaid royalties under the Franchise Agreements. On March 18, 2025, the Bazizen Entities plead damages in excess of Two Million Seven Hundred Fifty One Thousand Euros with the Paris Commercial Court. On April 23, 2025, the Paris Commercial Court, issued a judgment in favor of Steak n Shake International on all claims asserted by the Bazizen Entities concluding the matter and rejected Steak n Shake International's claims for unpaid royalties under the Franchise Agreements given the bankruptcy proceedings filed by the Bazizen Entities.

On May 26, 2025, the Bazizen Entities appealed the matter to the Paris Court of Appeal.

SAS MONK AND KAMASI SARL VS. STEAK N SHAKE INTERNATIONAL, S.A.R.L. (Cannes Commercial Court CASE NO PCL 2024J00174 and PCL 2024J00173)

In November 2024, SAS Monk, an international franchisee operating a restaurant in Mougins, France ("Monk") and Kamasi SARL, an international franchisee operating a restaurant in Nice, France ("Kamasi") (collectively the "Sebag Entities") delivered a notice to Steak n Shake International, S.A.R.L. ("Steak n Shake International") before the Cannes Commercial Court seeking to terminate their respective Franchise Agreements.

The Sebag Entities asked the judge to terminate the two franchise agreements, on the basis of French Law. The Sebag Entities assert that Steak n Shake International did not properly comply with its obligations under the franchise agreements.

On January 14, 2025, the Cannes Commercial Court ordered the termination of the franchise agreements with Monk and Kamasi. Steak n Shake International appealed ruling and a hearing on the appeal is set for May 20, 2025 before the Cannes Commercial Court. On December 5, 2025 the Sebag Entities and Steak n Shake International entered into a settlement to end the litigation in which each party waived any monetary claims against each other.

CONCLUDED CASES

Steaks of Virginia, LLC, v. Steak n Shake Enterprises, Inc. (Case No. 1;18-cv-1048)

On April 5, 2018, our then franchisee, Steaks of Virginia, LLC ("Steaks of Virginia"), filed suit against SNS Enterprises in the U.S. District Court for the Southern District of Indiana challenging our right to enforce our Maximum Pricing Policy with respect to Steaks of Virginia's nine (9) Steak n Shake restaurants operating in Virginia. Steaks of Virginia alleged breach of contract, fraudulent inducement, constructive fraud, negligent misrepresentation, and violation of the Virginia Retail Franchising Act

and sought a declaratory judgement and permanent injunction against our enforcement of the Maximum Pricing Policy. On June 6, 2018, Steaks of Virginia filed an amended complaint also alleging that SNS Enterprises failed to offer necessary support. In January 2019, SNS Enterprises filed a counterclaim against Steaks of Virginia alleging breach of contract based on Steaks of Virginia's unilateral closure of its franchised Steak n Shake restaurants.

On April 10, 2019, the parties reached a settlement in which Steaks of Virginia agreed to dismiss all counts and claims with prejudice and to pay SNS Enterprises $100,000 to reimburse SNS Enterprises for its attorneys' fees and costs associated with the suit. SNS Enterprises also agreed to dismiss its counterclaim with prejudice. On May 17, 2019, the parties executed a formal written settlement agreement and mutual release reflecting the foregoing terms.

360 Rent, S.R.L. vs. Steak n Shake International, S.A.R.L. (Case No. 01-18-0003-0322)

On August 9, 2018, 360 Rent, SRL, a Steak n Shake international franchisee, ("360 Rent") filed an arbitration claim against Steak n Shake International, S.A.R.L. ("Steak n Shake International") in the International Centre for Dispute Resolution (ICDR), a division of the American Arbitration Association (AAA) to be heard in Indianapolis, Indiana. 360 Rent alleges that Steak n Shake International breached certain provisions of the Franchise Agreement signed in July 2015. 360 Rent has alleged that Steak n Shake International breached the Franchise Agreement by failing to provide a credit against future royalty and system fees , failing to respond to requests for new menu item and local marketing initiatives ("Count I") and failing to reinvest the royalty and system fee and the global marketing fund fee into local marketing and advertising programs ("Count II"). In addition, 360 Rent claims promissory estoppel as it relates to the foregoing breach of contract claims ("Count III"). 360 Rent also claims that Steak n Shake International violated the Indiana Deceptive Franchise Practices Act ("Count IV"), committed fraud ("Count V"), committed a breach of fiduciary duty ("Count VI") and committed a breach of the implied covenant of good faith and fair dealing ("Count VII") as it relates to: (a) the foregoing breaches of contract claims; and (b) allegations with respect to the set up costs in constructing and opening the Restaurant and the turnover among the Steak n Shake International employees assigned as 360 Rent's point of contact. 360 Rent seeks certain declaratory relief, monetary damages and costs and attorneys' fee in connection with its claims. On September 17, 2018 Steak n Shake International filed its answer and counterclaim against 360 Rent and its principals for unpaid royalty payments, other charges and fees and all other amounts recoverable by law.

On June 5, 2020, the Arbitrator entered an Order denying all claims of 360 Rent and granting Steak n Shake International's counterclaim against 360 Rent and ordering 360 Rent to pay $61,166.23 in unpaid royalties. On September 15, 2020, the Arbitrator awarded Steak n Shake International $424,215.27 in attorneys' fees and costs.

Winter Haven Store #1, LLC and Virzi Campbell Holdings, LLC, v. Steak n Shake Enterprises, Inc., Biglari Holdings Inc., Sardar Biglari, Victor Yeandel, Tonya Sallee and John Bonewell (Case No. 49D11-2101-CT-00473)

On January 6, 2021, our former franchisee, Winter Haven Store #1, LLC ("Winter Haven") and its owner Virzi Campbell Holdings, LLC ("Virzi") (Winter Haven and Virzi are collectively "Franchisee"), filed suit against SNS Enterprises, our parent, SNS Enterprises' CEO and other former employees (collectively "SNS Parties") in the Marion County Superior Court in Indiana. The

Franchisee alleges that SNS Parties employed a scheme or artifice to defraud, made untrue statements of material facts and/or willfully omit material facts with respect to the profitability and sales volumes of the Steak n Shake Restaurants and required that Franchisee purchase products at inflated prices from designated vendors in violation of the Indiana Franchise Disclosure Act, Indiana Deceptive Franchise Act, Florida Franchise Act, Common Law Fraud and sought monetary damages, interest and attorney's fees related to the alleged violations.

On February 26, 2021, SNS Parties filed a motion to dismiss all counts of the complaint.

On July 14, 2021, the Marion Superior Court granted SNS Parties motion to dismiss. On August 5, 2021 Franchisee initiated an appeal of the lawsuit. On January 18, 2022 the parties entered into a Settlement Agreement and Release whereby Franchisee agreed to dismiss all claims against the SNS Parties in exchange for SNS Parties' agreement not to pursue attorney's fees against Franchisee.

Litigation Against Franchisees in the Last Fiscal Year

During fiscal year 2024, Steak n Shake initiated lawsuits against franchisees as follows:

NONE

Other than the actions above, there is no litigation required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Fee

For each Franchise Agreement you sign, you must pay us an upfront fee upon execution of the Franchise Agreement ("Franchise Fee"). The Franchise Fee is $25,000; however, we reserve the right to charge a different fee for Restaurants operating from Captive Facilities (defined in Item 12).

If you are currently an active or active reserve member of the U.S. Armed Forces, have been honorably discharged from the U.S. Armed Forces ("Eligible Military"), you will receive a twenty percent (20%) discount on the Franchise Fee.

You must pay the Franchise Fee for each Franchise Agreement in one lump sum. The Franchise Fee is non-refundable, except if you have entered into a Franchise Agreement for which a location has not been approved and we cannot agree on a location for a Restaurant after one hundred thirty-five (135) days following execution of the Franchise Agreement provided that you identify a specific location within seventy (70) days of signing the Franchise Agreement. In such event, we will refund seventy-five (75%) of the Franchise Fee to you and we will retain the remaining twenty-five (25%) as compensation for services provided. This refund does not apply to any funds paid to us as part of an ADA.

If you are unable to open for business to the public on or before the Required Opening Date set forth in your Franchise Agreement, you may elect to extend the Required Opening Date by providing written notice to us along with a non-refundable extension fee in the amount of Five Thousand Dollars ($5,000) ("Extension Fee") for each ninety (90) day extension of the Required Opening Date if the Extension Fee is delivered to us either by certified funds or wire transfer on or before the Required Opening Date. You will be entitled to two (2) ninety (90) day extensions of the Required Opening Date.

ADA Fees

ADAs are granted at our sole discretion. To secure development rights pursuant to an ADA, you must pay us an ADA deposit ("ADA Deposit") equal to the sum of: (i) the amount of the Initial Franchise Fee for the first Restaurant you will open plus; (ii) a non-refundable deposit ("Per Unit Deposit") for each additional Restaurant that you are obligated to open under the ADA. The amount of the Per Unit Deposit we require will vary depending on the number of restaurants you are granted the right to develop within your Development Area, your restaurant management experience, your creditworthiness and such other factors as the market for Steak n Shake By Biglari Restaurants within your Development Area. We estimate that a multiple unit franchisee will pay a Per Unit Deposit ranging from $15,000 to $20,000 per Restaurant, although the Per Unit Deposit could vary depending on the factors described above. DuringFY25, the Per Unit Deposit required pursuant to an ADA averaged $15,000.

The Per Unit Deposit amount is determined uniformly but is not uniform for all franchisees due to the variable conditions stated above. A portion of the ADA Deposit will be credited toward the Franchise Fee for each unit you open pursuant to the ADA. For the first restaurant location, you will receive a credit for the amount of the entire Franchise Fee. For the second and each additional restaurant you open as required under the ADA, you will receive a credit towards the Franchise Fee equal to the Per Unit Deposit provided the credits will not exceed the total ADA Deposit paid.

In addition, we reserve the right to charge you a non-refundable territory fee ("Territory Fee") for the development rights granted by the ADA. Typically, we only require a Territory Fee for densely populated urban markets. The Territory Fee will be determined by us before the ADA is signed and will be based on the size of the territory, the number of restaurants to be developed, demographic data, trends like density and growth rates, the term of the ADA, your restaurant management experience, your creditworthiness, and other variable conditions such as the market for Steak n Shake By Biglari products within your Development Area. Typically, the Territory Fee ranges from $0 to $20,000 per location to be developed pursuant to the ADA depending on the conditions stated above. The Territory Fee is determined uniformly but is not uniform for all franchisees due to the variable conditions stated above. The Territory Fee is non-refundable and does not apply to the Franchise Fee for each location you will develop pursuant to the ADA. We require that you pay the entire ADA Deposit and Territory Fee (if applicable) in one lump sum when you sign the ADA.

We offer reduced Franchise Fees for the second and additional Restaurants opened pursuant to the ADA. We require a Franchise Fee of $20,000 for the second and each additional quick-service format or non-traditional location opened during the Term of the ADA. The ADA Deposit and Territory Fee are fully earned by us when paid, and neither will be refunded in consideration of administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you in the ADA.

Computer Equipment and Proprietary System Fees

Prior to your Restaurant opening, our IT department will coordinate with you to order required computer systems (see Item 11 Electronic Point of Sale and Computer Systems). We assist you with the order of all required computer systems from our approved vendors in order for you to obtain discounts available for system-wide purchases. These fees are not refundable. We do not receive any commissions or markups from vendors on these purchases. The cost of the computer systems are based on the type of restaurant you will operate, as indicated below. These costs are based on current quotes from vendors and are subject to increases, as required by such vendors.

Quick-service format:	$120,000
Non-traditional location:	$19,000 to $38,000 (digital menu boards and drive-thru)

Plan Review Fees

After our initial review of your restaurant plans at no cost, we may charge a fee of $1,000 for each set of drawings we review for any changes you propose to our prototype plans.

Extension Fee

You may elect to extend the Required Opening Date set forth in your Franchise Agreement to avoid default by paying us a fee of $5,000 for each ninety (90) day extension. You are only entitled to two (2) extensions and this fee is non-refundable.

ITEM 6

OTHER FEES

Type of fee	Amount	Due Date	Remarks
Royalty and System Fee & License Fee[1]	5% of Gross Receipts	Weekly on Friday	Gross receipts include all revenue from the franchised Restaurant, but exclude sales or use taxes and discounts. We reserve the right to charge a Royalty and System Fee of 10% for franchised Restaurants located within markets in which we currently operate Steak n Shake By Biglari Restaurants and/or certain unique Non-traditional locations. Fee may vary for non-traditional locations based on the experience of the concessionaire and number of locations to be developed.
Digital and Production Fund Fee	1% of Gross Receipts	Weekly on Friday	See Item 11. For non-traditional locations, we may elect to reduce or waive the Digital and Production Fund Fee based on whether we determine, in our sole discretion, that advertising is necessary for the particular non-traditional locations.
Additional Opening Support	$100-$300 per day plus travel, lodging and meals	30 days after billing	If you request additional assistance from our opening trainers, we may charge a daily fee based on the experience level and number of trainers we provide.
Operating Assistance	$4,000 per month plus payroll, travel, lodging and meals	30 days after billing	Applies to extraordinary assistance due to your failure to follow System standards and we must provide managers to ensure your Restaurant operates in accordance with System standards
Transfer Fee	$5,000 per Restaurant	Before or at time of approval	Applies to approved transfers of a controlling interest in the franchise.
Additional Manager Training	$3,000 per manager for additional managers beyond the specified number of owners and managers we initially train at no cost or any replacement manager	30 days after billing	We provide initial training at no cost for owners and up to 4 managers. We charge a fee of $3,000 to train any additional managers, including replacement managers.
Product Testing Fee	Our actual costs ($100 to $10,000)	30 days after billing	Applies to a request by you to change required products, supplies, suppliers or equipment.
Relocation Fee	Our actual costs (estimated $200 to $1,000)	Before or at time of approval	Applies if you change the location of the Restaurant.
Audits	Our actual costs (including, without limitation, travel expenses and reasonable accounting and legal fees)	30 days after billing	Applies only if audit shows an under-statement of at least 2% of Gross Receipts.

Type of fee	Amount	Due Date	Remarks
Quality Control and Customer Feedback Programs	Your proportionate share of our actual costs of any such program	30 days after billing	Payable to us or third party.
Interest on late payments	Lesser of legal limit or 18% per year	Immediately upon becoming due and payable	Applies to all overdue payments to us.
Returned Debit NSF Fee	$25 per item by EFT	At time of NSF	Applies to all returned debit(s).
Indemnification	Our actual costs (no estimates available)	As incurred by us	Applies to costs of defending actions against us because of your Restaurant operation.
Costs and Attorney Fees	Our actual costs and fees (no estimates available)	Immediately upon becoming due and payable	Payable if we must enforce contract provisions against you.
Renewal Fee	50% of the then current Franchise Fee (based on current Franchise Fee, Renewal Fee is $12,500)	30 days prior to renewal	Applies to renewal of the franchise at the end of the initial term.
Lost Revenue Damages/Liquidated Damages	Amount determined by timing of termination	Within fifteen (15) days after the Franchise Agreement is expired or terminated or on any later date that we determine	Applies if we terminate the Franchise Agreement because of your breach or if you terminate the Franchise Agreement without cause as described in Section 11.2 of the Franchise Agreement.
Hardware and Software Maintenance Fees, Surveillance Video System Fee and Custom Integration	$5,000 to $6,000[2] annually. Additionally, if we allow you to use a custom POS system, you must pay our then hourly rates for reviewing the non-standard POS system and for required integration work we provide.	Help Desk-monthly Software & surveillance-quarterly	We charge you annual software maintenance fees for the IT help desk; POS, DT Timer, Polling, and Reporting; an annual fee for our infrastructure expenses for video surveillance; and annual maintenance fee for the Food, Supply, and Labor systems.
Product and Services Purchases	See Item 8	See Item 8	You must buy products and services from our designated and approved vendors whose items meet our standards and specifications. We reserve the right to be the sole supplier of products and services.
Late Reporting Fee	$50 per day	Within 30 days following written request by Company after applicable report is due.	If you do not timely submit financial statements we require on a monthly and annual basis as set forth in Section 8.2 of the Franchise Agreement or construction costs as required by Section 8.4 of the Franchise Agreement, we impose a $50.00 per day fee until the required information is submitted.
Insurance	Amount of unpaid premiums, plus interest at the lesser of the legal limit or 18% per year	Upon demand	Payable to us only if we elect to obtain coverage on your behalf after you fail to do so.
Management Fee	Reasonable fee we may require from time to time, plus our operating losses (if applicable)	As incurred	If you abandon or otherwise fail to operate the Restaurant in accordance with the Franchise Agreement, we may elect to operate the Restaurant.
Additional training materials	Varies by item needed	30 days after billing	We will provide one set of training materials per restaurant. If you would like additional copies, you may obtain through a third-party vendor. Accessible through the mysteaknshake website under SNS Toolkit.

Type of fee	Amount	Due Date	Remarks
Custom Marketing Services	$50 to $135 per hour	As incurred	If we agree to provide additional custom marketing services at your request, we may charge an hourly fee for such services based on the nature of the work and the market rate for similar services. You are responsible for paying any third-party vendors for any goods or services you elect to obtain in connection with our marketing services.
Cost To Cure Lease Defaults	Our actual costs incurred in curing your default under your lease	Upon demand	If you default under your lease and you fail to cure such default upon our request, we may cure such default on your behalf.
Administrative Fee-Local Marketing Accounting Services	15% of the invoice amount	30 days after billing	If we elect to procure Local Marketing on your behalf, we may charge you an administrative fee of 15% of the invoice amount for our services in processing invoices on your behalf.
Removal of Trade Dress upon Restaurant Closure	Our actual costs, including travel	Upon demand	If you cease operating the Restaurant and fail to remove all trade dress (including signage and awnings) from the Restaurant within 10 days of closure, we may perform such removal and you must reimburse us for our actual expenses.
Default Fee	$100 per week per violation of the Franchise Agreement Terms or Manual; a greater amount equal to our staff's wages, travel, lodging and reasonable per-diem expenses	Upon demand	If you violate the terms of the Franchise Agreement or fail a Quality, Service and Cleanliness ("QSC") Audit, in addition to all other rights and remedies we have under the Agreement, we may assess a $100 per week Default Fee or a greater amount equal to our staff's wages, travel, lodging and reasonable per-diem expenses incurred for any follow-up inspections conducted after your failure to comply with the terms of the Franchise Agreement or Manual or score a passing score on a QSC Audit.
Extension Fee	$5,000 for each 90-day extension period	Must be delivered to us either by certified funds or wire transfer on or before the Required Opening Date for a particular restaurant location	You may elect to extend the Required Opening Date set forth in your Franchise Agreement to avoid default. This fee is non-refundable.
Plan Review Fee	$1,000 per review	30 days after billing	We currently charge a fee of $1,000 for each set of drawings we review for any proposed changes to our prototype plans.
Additional travel expenses resulting from change in scheduled restaurant opening date	Our actual additional travel expenses (vary based on location)	30 days after billing	If your scheduled restaurant opening date is delayed, you must reimburse us for the additional travel expenses we incur for changing our trainers' travel arrangements.

Note: All fees are imposed by and payable to us, unless otherwise noted. All fees are non-refundable. We require payment of all fees by means of electronic transfer. The fees are uniformly imposed by us; however, we reserve the right to vary the fees imposed on Restaurants operating from Captive Facilities (defined in Item 12).

Footnotes to Item 6:

1. The 4% Royalty and System Fee is paid to us for your use of the System as provided in the Franchise Agreement. The 1% License Fee is paid to our affiliate, Steak n Shake, LLC for your use of the Marks. If your state, or any governmental body in your state, charges a tax on the royalty we receive from you, then you are required to pay an additional earned Royalty and System Fee equal, in our discretion, to the amount of this tax. This does not apply to any federal or income taxes we have to pay. We expect that fees payable under Franchise Agreements described in this Disclosure Document will generally be uniform or within the designated parameters. However, we reserve the right to vary fees as a result of negotiations and to waive or refund fees as we deem appropriate in our sole discretion. In addition, franchisees who have signed Franchise Agreements before the date of this Disclosure Document may pay different fees than the fees set forth in this chart. The Franchise Agreement and License Agreement require weekly payment by electronic funds transfer ("EFT") whereby we automatically withdraw the payments from your bank account.

If any such debit(s) should be returned NSF, Franchisee authorizes Franchisor to subsequently collect a returned debit NSF fee of $25.00 per item by Electronic Funds Transfer from Franchisee's designated account.

2. These fees do not include other ongoing expenses billed directly by third party vendors we require you to use. You may not use other point of sale software unless we determine in our sole discretion that it conforms to our standards, including transmission of point of sale data to us in the format we designate; and as a condition to approval, we may require you to pay a fee to us which is currently estimated in the range of $10,000 to $20,000 for the cost of our time and labor to review and certify non-standard hardware and software providers, plus the cost of our labor for any on-going custom integration or support which would be required to ensure that such non-standard point of sale software meets our then-current standards and specifications and/or to facilitate the exchange of transaction data you are required to provide us. We reserve the right to increase these fees at our discretion.

ITEM 7

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure[1]	Amount Freestanding Quick Service Format[8]		Amount In-line Quick Service Format[2]		Amount Non-Traditional [9]		Method of Payment	When Due	To Whom Payment Is Made
	Low	**High**	**Low**	**High**	**Low**	**High**			
Franchise Fee[3,4]	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	Lump sum	At signing of Franchise Agreement	Us
Real Estate/Rent[5]	Not included	Not included	Not included	Not included	Not included	Not included	Not included	Not included	Landlord, Seller,or Us
Construction Management/ Fee[7]	$0	$35,000	$0	$4,000	$0	$3,000	As Incurred	As Incurred	Third Party consultant selected by Franchisee
Site Improvements[6,7]	$90,000	$313,955	$0	$21,000	$0	$9,000	As incurred	When site developed	Contractors and materials suppliers
Building or Leasehold Improvements[7]	$612,359	$1,358,309	$80,000[8]	$727,000[8]	$150,000[9]	$252,000[9]	As incurred	When Restaurant is built	Contractors and materials suppliers
Furniture, Fixtures, Equipment, & Signage[10]	$394,550	$689,866	$307,000	$374,000	$107,000	$304,000	As incurred	When installed prior to opening	Suppliers

Type of Expenditure[1]	Amount Freestanding Quick Service Format[8]		Amount In-line Quick Service Format[2]		Amount Non-Traditional [9]		Method of Payment	When Due	To Whom Payment Is Made
	Low	**High**	**Low**	**High**	**Low**	**High**			
Pre-Opening Expenses[11]	$5,000	$10,000	$5,000	$10,000	$5,000	$10,000	As incurred	As incurred (suppliers) and weekly or bi-weekly (employees)	Suppliers and employees
Additional Funds for three (3) months[12]	$15,000	$20,000	$15,000	$20,000	$5,000	$20,000	As incurred	As incurred	Us, Third Parties and Suppliers
Inventory and supplies for opening	$10,000	$15,000	$6,000	$15,000	$8,000	$15,000	As incurred	On or about Restaurant opening	Distributors
Training Expenses (travel, meals & lodging only-wages excluded) [13]	$16,000	$55,000	$16,000	$55,000	$16,000	$30,000	As incurred	As incurred	Your employees, third parties such as airlines and hotels.
Architectural, Civil Engineering & Other Professional Fees & Permits[14]	$35,000	$88,050	$0	$78,000	$0	$20,000	As incurred	As incurred	Third party vendors and us
Impact and Tap Fees[15]	$5,000	$11,245	$0	$10,000	$0	$2,000	As incurred	As incurred	Government entities and third parties

Type of Expenditure[1]	Amount Freestanding Quick Service Format[8]		Amount In-line Quick Service Format[2]		Amount Non-Traditional [9]		Method of Payment	When Due	To Whom Payment Is Made
	Low	**High**	**Low**	**High**	**Low**	**High**			
Grand Opening Marketing Expenses[16]	$0	$25,000	$0	$15,000	$0	$15,000	As incurred	As incurred	Third party advertising agencies
Extension Fee[17]	$0	$10,000	$0	$10,000	$0	$10,000	Lump Sum	Prior to the Required Opening Date of your Franchise Agreement	Us
Total[18]	**$1,207,909[20]**	**$2,656,425**	**$454,000**	**$1,364,000**	**$316,000[19]**	**$715,000**			

Footnotes to Item 7 Table for Initial Investment For Unit Franchise Agreement

1. We base these estimates on the following: (a) our (or our affiliates') over 90 years of restaurant experience (since 1934); and (b) our (or our affiliates') over 80 years of franchising experience (since 1939); (c) actual costs to construct or remodel our various formats, as provided by our franchisees; (d) bids we have received from vendors; and/or (e) cost estimates we have received from vendors. We have relied on our franchisees to provide us with their development costs but have not independently verified this information. We do not offer you financing, directly or indirectly, for any part of your investment, although we may provide you with contact information for third parties who offer financing.

2. The ranges of construction-related costs provided for the quick-service format are based on our estimated costs to construct quick-service locations totaling approximately 2,750 SF. Your individual costs and expenses are likely to vary. You are strongly advised to consult with a qualified development advisor to determine your particular costs and expenses. These estimates do not necessarily represent the cost of freestanding locations or the cost of converting existing space. Costs will vary significantly for conversion of existing space based on the work necessary to bring the space into compliance with our requirements. In our experience, savings are difficult to achieve with conversions given the extent of modifications typically required.

3. The Franchise Fee is discussed in detail in Item 5. The Franchise Fee is nonrefundable unless you identify a location within seventy (70) days of executing the Franchise Agreement and we fail to agree on a location for your Restaurant within one hundred thirty-five (135) days of the execution of the Franchise Agreement. In that event, we will refund you seventy-five percent (75%) of the Franchise Fee paid, we will retain the remaining twenty-five percent (25%) as compensation for services provided, and the Franchise Agreement will terminate. We reserve the right to lower or raise the Franchise Fee(s) in our sole discretion effective upon the filing of an amended disclosure document.

4. If you sign an ADA, we offer a reduced Franchise Fee for additional Restaurants opened during the term of the ADA. If you develop two or more Restaurant(s), the current Franchise Fee is $20,000 for your second and future locations.

5. Freestanding Quick-Service Restaurants require approximately one acre of land. You may either rent or purchase the land for a Freestanding Quick-Service Restaurant. In-line quick service and non-traditional locations are typically leased premises. Land and rent costs vary significantly depending on various factors including demand for locations in a particular market, the property location, accessibility and area demographics. Additionally, rent credit or allowances for tenant improvements provided by the landlord may also impact the rent you will pay. Payments for land or rent are made to third party landowners or landlords not related to us, except in the case that we are selling or subleasing a company-operated restaurant. Payments to landowners for purchase are typically made in full when title to the property is transferred to you and are not refundable. Rental payments to landlords are typically made monthly beginning upon delivery of the premises or as otherwise set forth in your lease agreement. You are strongly encouraged but not required to utilize the services of a real estate consultant or attorney to assist with the site acquisition process.

6. Site improvement costs vary significantly depending on various factors including soil conditions, availability of utilities, development codes, requirements, conditions and fees imposed by government agencies, parcel size and shape, topography, and construction labor and material costs by region. Payments for site improvements are made to third party contractors and suppliers not related to us, are typically made as the goods and services are received or as the respective stages of work are completed and are usually not refundable. We do not receive any payment from these contractors and

suppliers. These estimated ranges are based on typical costs incurred for site improvements based on estimates provided by our design professionals and by our franchisees. You should consult with a local civil engineer or qualified development advisor to assess the extent of all site improvements and local approvals required for any particular location.

7. Site and building improvements must strictly conform to our brand specifications unless otherwise noted in writing. If the premises are leased, the lessor's contribution toward the cost of construction, if any, may be a factor in your subsequent rental rate. These costs will further vary based on building size, configuration and condition of premises, material construction and labor costs, logistical considerations, location, as well as any requirements and restrictions imposed by government agencies and landlord. Payments for building improvements are made to third party contractors and suppliers not related to us and are typically made as goods and services are received or as stages of work are completed and are not typically refundable.

8. As of the issuance date of FDD, there are no franchised or company-owned Freestanding Quick-Service Format Restaurants. Further, we have not contructed or remodeled any Restaurants of this format. Therefore, certain expenses noted in Item 7 (e.g., Site Improvements, Building or Leasehold Improvements, Furniture, Fixtures, Equipment, Signage and Impact and Tap Fees) are reasonable estimates, which are based on two separate assessments from third-party design professionals and general contractors to construct a 2,750 square foot Freestanding Quick Service Format Restaurant, and the assessement from third-party design professionals to remodel an existing approximately 4,200 square foot Freestanding Quick Service Format Restaurant according to our prototype designs for this format. These costs can vary significantly from our estimates due to factors such as: (i) whether preconstruction demolition of existing walls and partitions is required, (ii) whether the space was previously used as a restaurant, (iii) regional differences in materials and labor costs, and (iv) rent credits or tenant improvement allowances provided by a landlord, if any. Please refer to Note 2 above.

9. Our estimates are based on costs submitted by franchisees and licensees for non-traditional locations ranging in size from 400 SF to 2,400 SF. Additionally, our estimates are based on vendor quotes. Your individual costs and expenses are likely to vary. You are strongly advised to consult a qualified development advisor to determine your particular costs and expenses.

10. Furniture, Fixture & Equipment (including IT & Signage) costs may vary significantly based upon the size of the restaurant, possible reuse of existing equipment, labor and material costs, installation costs, geographic location, requirements imposed by local government agencies and shipping from suppliers. Currently, payments for furniture, fixtures and equipment are made to third party suppliers not related to us. We assist with the purchase of most IT equipment so you benefit from our volume discount. These estimates also include the initial fees paid to us and expenses paid directly to third party vendors for the following: point of sale hardware and software, kiosks, terminals, menu board and order confirmation board, headsets, in-store music, and installation services. You are currently free to use any qualified suppliers able to meet our specifications and approved by us; however, we reserve the right to become (along with our affiliates), approved suppliers at any time in the future and may even be the only supplier or service provider for one or more items or services, in which case you would have to buy the items or services from us or our affiliates at their then current prices. If the Franchise Agreement is terminated, cancelled or expires, we have an option to purchase the Restaurant, or a portion of the assets of the Restaurant (including any furniture, fixtures, equipment and improvements), which may include, at our option, all of your leasehold interest in and to the Restaurant real estate at fair market value (as adjusted by setting off and reducing the purchase price by any amount then owing by you to us or our affiliates and any amounts paid by us to cure your

defaults with third parties such as landlords). If the Franchise Agreement is terminated due to our default, you can require us to purchase these items at fair market value. If you anticipate a high volume at your restaurant, you may need to install additional point of sale and related equipment.

11. These figures are estimates only for the following expenses you will incur prior to your opening: uniforms, advertisements for recruiting, and food costs during training. Due to wide variances, these estimates exclude the following: labor, benefits and payroll costs associated with your management and hourly employees' time in training or during the period prior to your restaurant opening; health insurance, property insurance, general liability insurance and worker's compensation insurance premiums; security deposits for a lease; utility deposits; and sales tax bonds (may be required by taxing authorities). Your labor and payroll expenses will vary based on the length of time between the date of hiring and your opening date and the wages/benefits you pay your management and staff. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, and other factors bearing on risk exposure. Insurance payments are typically made to the provider when the services are received or, in the case of employees, made weekly or bi-weekly after the work occurs. Security deposits, utility deposits and sales tax bonds will vary based on your experience operating a business, creditworthiness and assets. You should contact local utility providers and taxing authorities to research the deposits and/or fees you may need to provide.

12. This range includes certain on-going monthly expenses you may incur during the first three (3) months of operation, including fees paid to us and third parties after the restaurant opens for surveillance cameras, broadband internet service, software and music licensing fees, IT support center, hardware maintenance and repair, and drive-thru headset maintenance and repair. These figures are estimates, and we cannot guarantee that you will not have greater expenses. These amounts do not include rent, any estimates for debt service on loans that you obtain to finance your business, payroll, inventory expenses or additional working capital. Our estimates of additional funds are based on quotes from vendors.

13. We do not charge you for the initial standard training we provide. These expenses do not include the salary and payroll expenses for your management and hourly staff or franchise owners. These estimates are based on the travel, meals and lodging you will incur while your managers are in training. Your cost may vary depending upon how many individuals you train and the distance you and your employees must travel to the certified training restaurant we designate. We cannot make any commitments as to whether a certified training restaurant will be available near your restaurant. The low end assumes that you are located in very close proximity to our certified training restaurant and no airfare meals or lodging will be required for management training other than your general manager and restaurant manager attending a new restaurant opening and traveling to our Indianapolis office for a portion of the training. The high end range assumes that your management will be traveling to a certified training restaurant and includes the estimated cost for airfare, transportation, meals and lodging.

14. These expenses may vary depending on your experience and your individual need for advice from architects, engineers and related development professionals and depending on the duration and complexity of developing your location and negotiations to finalize a lease or purchase. These expenses do not include any costs you may incur for financing. These ranges are based on our experience in constructing Steak n Shake By Biglari Restaurants and recent costs provided by our franchisees, along with recent vendor quotes. The high end of the range includes the $1,000 Plan Review Fee we charge for our or our affiliate's review of site specific modifications made to our prototype plans. The cost of a permit to sell beer and wine applies only to quick-service locations

where such service is sought and will vary significantly by location. Prior to acquiring a site, you should research the legal requirements and design criteria as may be required by public ordinance or private covenants limiting or restricting such items as building design, colors and finishes, exterior lighting, signage, site design, and similar leasehold or fee improvements. You are strongly encouraged to thoroughly research the requirements applicable to the development of each particular location you intend to open.

15. Impact, tap and similar infrastructure or impact type fees vary significantly by area and site. You are strongly encouraged to consult with a local civil engineer or real estate attorney to accurately assess and determine all such costs applicable to any particular location. These figures are based on our experience in developing Restaurants and estimates we have secured based on our new prototype design. The responsibility for payment of all such fees along with any metering or similar utility extension or service fees should be addressed when negotiating a lease or purchase.

16. In connection with the grand opening of the Restaurant, you may, but are not required, to conduct a grand opening marketing and advertising campaign in accordance with a plan approved by us.

17. The Extension Fee only applies if you will miss the Required Opening Date established by your Franchise Agreement and you seek to extend that deadline. By paying an Extension Fee of $5,000 you may extend the Required Opening Date for a period of ninety (90) days. You are only entitled to two (2) extensions of the Required Opening Date.

18. These are the totals of the lowest costs for each item and the highest cost for each item. None of the applicable restaurants had all of the lowest costs or all of the highest costs listed. The actual construction-related costs for restaurants based on the expenses listed in the table above ranged from: $1.2M to $2.66M for Freestanding Quick Service Format; and $0.31M to $0.71M for Non-Traditional restaurants. These figures are estimates based upon our franchisees' reported costs, quotes from vendors, and our experience in building and opening restaurants, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors, including but not limited to: how closely you follow our methods and procedures; your management skill, development experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; and competition. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. We relied on our (or our affiliates') over 90 years of operating restaurants to compile these estimates, along with actual costs for franchised restaurants.

19. Costs and expenditures for non-traditional locations will vary greatly due to significant differences in size, configuration, and condition of the locations.

20. The ranges of construction-related costs provided for the Freestanding Quick-Service Format are based on cost estimates provided by our design professionals to construct or remodel a freestanding quick-service location of 2,750 SF to 4,200 SF. These estimates do not include the costs for conversions of existing space to our freestanding quick-service format as such costs will vary significantly by location based on the work necessary to bring the space into compliance with our requirements. In our experience, savings are sometimes difficult to achieve with conversions given the extent of modifications typically required. Your individual costs and expenses are likely to vary.

You are strongly advised to consult a qualified development advisor to determine your particular costs and expenses.

INITIAL INVESTMENT FOR AREA DEVELOPMENT AGREEMENT[1]

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Payment Is Made
Franchise Fee for First Location[2]	$25,000	Lump sum	At signing of Area Development Agreement	Us
Per Unit Deposit for 2nd and each additional location[2]	Per Unit Deposit as we determine (typically $15,000 to $20,000 per location) based on certain factors multiplied by number of locations to be developed (excluding 1st location)	Lump sum	At signing of Area Development Agreement	Us
Territory Fee[3]	$0 to $20,000 per location to be developed pursuant to ADA	Lump sum	At signing of Area Development Agreement	Us
Total ADA Fees (Low Range = 2 Restaurants; High Range=10 Restaurants)[4]	$40,000 to $360,000			

Footnotes to Initial Investment For Area Development Agreement

1. These figures are based on the current terms of the ADA. We do not require you to sign an ADA unless you elect to develop multiple Restaurants within a designated territory. ADAs are granted at our sole discretion. If you sign an ADA, we offer a reduced Franchise Fee for additional Restaurants opened during the Term of the ADA. The number of restaurants you are required to open and the duration of the ADA varies based on the size and demographics of your territory. We do not offer you financing, directly or indirectly, for any part of your investment, although we may provide you with contact information for third parties who offer financing.

2. If you sign an ADA, we require that you pay an ADA Deposit equal to the sum of: (i) the amount of the Initial Franchise Fee for the first Restaurant you will open, which amount will be applied to the entire Franchisee Fee due for the first location plus (ii) a non-refundable deposit ("Per Unit Deposit") for each additional Restaurant that you are obligated to open under the ADA. The amount of the Per Unit Deposit we require will vary based on certain factors described in Item 5 above. During FY25, the Per Unit Deposit required averaged $15,000. We offer reduced Franchise Fees for the second and additional Restaurants opened pursuant to the ADA. We require a

Franchise Fee of $20,000 for the second and each additional location opened during the Term of the ADA. The Per Unit Deposit will be applied towards the Franchise Fee due for the second and each additional location developed under the ADA.

3. In addition, we reserve the right to charge you a non-refundable fee ("Territory Fee") for the development rights granted by the ADA. Typically, we only require a Territory Fee for densely populated urban markets. The Territory Fee will be determined by us before the ADA is signed and will be based on the size of the territory, the number of restaurants to be developed, demographic data, trends like density and growth rates, the term of the ADA, your restaurant management experience, your creditworthiness, and other variable conditions such as the market for Steak n Shake By Biglari products within your Development Area. Typically, the Territory Fee ranges from $0 to $20,000 per location to be developed pursuant to the ADA depending on the conditions stated above. The Territory Fee is determined uniformly but is not uniform for all franchisees due to the variable conditions stated above. The Territory Fee is non-refundable and does not apply to the Franchise Fee for each location you will develop pursuant to the ADA.

4. We require that you pay the entire ADA Deposit and Territory Fee (if applicable) in one lump sum when you sign the ADA. In addition to the ADA Deposit and Territory Fee (if applicable) for each Restaurant you open under the ADA you will incur the same expenses outlined in the table referenced as "Initial Investment For Unit Franchise Agreement" except we offer reduced Franchise Fees for each Restaurant you open under the ADA after your first Restaurant opening (see footnotes 2 and 3 above). The low range presented assumes that you will only develop two (2) restaurants pursuant to the ADA and that the Territory Fee is waived. The high range shown assumes that you will develop ten (10) restaurants pursuant to the ADA and pay a Territory Fee of $20,000 per location. Both the low and high ranges assume a Per Unit Deposit of $15,000 for the second and each additional location you agree to develop pursuant to the ADA. The totals shown in the table above are for illustration purposes only and your fee will vary based on certain factors described in Item 5 above. All of these fees (except any Territory Fee) will be applied towards a portion of the Franchise Fee due for each location you develop.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Compliance with Our Standards

We establish standards and specifications for most of the goods and services used in the development, improvement, and operation of the Restaurants in the System, and our approval of suppliers for most items is required in advance. These requirements are critical to assure the quality, safety and consistency of the goods and services provided by Restaurants, and protect and enhance the image of the Steak n Shake By Biglari Marks. You must construct, (or remodel), improve and operate the Restaurant under the System and in accordance with our standards and specifications, as set forth in our Manual and other publications we issue from time to time. You must, at your expense, purchase or lease, install and use all fixtures, signage, furnishings, improvements, supplies, (including designated menus with our required pricing (the "Designated Menus")), other products and equipment (including point of sale, computer hardware and software), décor items, related items, and services we require, all of which must conform to the Manual and our standards, specifications, and other publications we issue from time to time. You may not install or permit to be installed, or use or permit to be used, at the Restaurant premises or in connection with the operation of the Restaurant any fixtures, furnishings, supplies (including the Designated Menus), equipment, décor items, signs, games, or other items that do not comply with our standards, specifications and requirements .

You must maintain in sufficient supply, use and sell at all times only those food and beverage items, ingredients, products, materials, packaging, supplies and paper goods that comply with our standards, specifications and requirements. You may not deviate from our standards, specifications and requirements in any way without obtaining our written consent first. You must sell and offer for sale only those menu items, products and services that we have expressly approved for sale in writing. You must offer for sale and use all products and services required by us in the manner and style we require. You must discontinue offering for sale or using any items, products and services we may disapprove in writing at any time.

We reserve the right to, and expect to, supplement or modify the Manual and other publications, as well as our standards, specifications, and requirements in our sole discretion at any time. We will provide you notice in the Manual or other methods (such as by email) of any changes.

Required Purchases; Required and Approved Suppliers

You are required to use only those suppliers, manufacturers, vendors and distributors we have approved (collectively "suppliers"). You must purchase all items, goods and services used in the operation of the Restaurant only from such approved or designated suppliers (which may be only one supplier for any given item or service). We will provide you with a list of approved suppliers, and our list of approved suppliers is subject to change over time. We do not make our supplier evaluation criteria available to you or any supplier.

Currently, we require that you purchase the following goods and services exclusively from us: required point-of-sale software (including but not limited to food cost management, supply management and labor management systems), custom point of sale integration services, and proprietary retail products such as canned chili, beef tallow cooking oil, seasoning and pepper sauce. Other than the foregoing items, neither we nor our affiliates are currently approved vendors of any other item or service, although we reserve the right to become (along with our affiliates), approved suppliers or service providers at any time in the future and may even be the only supplier or service provider for one or more items, in which case you would have to buy the items from us or our affiliates at rates we designate from time to time. We may require that you order certain local marketing, advertising and promotion materials, including coupons, print media, digital media, social media, outdoor advertising, radio and television advertisements only through us or vendors we have approved. All local marketing and promotion must conform to our standards, specifications and requirements and our prior written approval shall be required for all Local Advertising and Promotion. The estimated proportion of required purchases, purchases from approved suppliers, and purchases in accordance with our specifications to all purchases in the operation of the Restaurant business is ninety-five percent (95%).

The majority of products made to our specifications are only available through our sole designated distributor and supplier (or its affiliates). We and our affiliates reserve the right to and do receive rebates and payments from distributors and/or suppliers on account of such purchases by franchisees and use the amounts received for any purpose we deem appropriate. We reserve the right to apply your pro rata share of any rebates we receive towards any outstanding amounts you owe to us. Our approval of any such proposed item or supplier may be based on not only whether the item or supplier meets our standards and specifications, but may also take into account the uniformity, efficiency, and quality of operation we deem necessary or desirable for the System. We may concentrate purchases with one or more distributors or suppliers as we determine in our sole discretion to obtain lower prices and/or the best support and/or services for any group of Restaurants franchised or operated by us. A supplier's willingness to pay us or our affiliates may be a condition for our approval of a supplier.

Approval of Alternative Suppliers
We formulate our specifications and standards based on our experience with the product and changes in manufacturers' products. We are not required to make available to you, or to any supplier, our criteria for product or supplier approval. We evaluate and approve or disapprove suppliers based upon input and/or testing by our Operations Department, Supply Chain Department, Product Development and Information Technology Department.

If you propose to use any brands, types, or models of fixtures, furnishings, equipment, services, signs, food products, materials and supplies or suppliers which we have not previously approved, or to purchase any items from a supplier that we have not approved, you must submit a written request to us for approval of such item or supplier, as applicable. You must also submit a sample of the proposed item along with all other information we may require for examination, testing and approval before you use the item in your Restaurant or place any orders from the proposed supplier. Unless we deliver an approval notice to you within thirty (30) days after we receive a written request for approval of an alternate supplier or item, the request shall be deemed denied.

We may charge you a reasonable inspection and supervision fee to cover the costs we incur in determining whether such items meet our approval. We may base our approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable for the System as a whole. We are not required to approve or authorize any additional products, items or suppliers. We may revoke our approval of particular products or suppliers when we determine that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such supplier.

Ownership Interest in a Supplier
As of the issuance date of this Disclosure Document there are no approved suppliers in which any of our officers owns an interest.

Purchasing Arrangements and Rebates
Volume purchases by the System result in discounts from certain suppliers to us. We and our affiliates reserve the right to receive rebates and payments from suppliers on account of such purchases by the Company and/or franchisees and use the amounts received for any purpose we deem appropriate. For new restaurants, in lieu of the Royalty and System, License and Digital Production Fund Fees, we may elect to receive 7% of the Gross Receipts from the sale of all vending and amusement devices located in the Restaurant directly from the designated amusement/vending machine vendor.

We negotiate purchase agreements with suppliers (including price terms), for the benefit of the System. If we establish these types of programs or arrangements, we may limit the number of suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers to the System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers; however, we may consider your compliance with purchasing standards among many other factors when determining whether to renew or grant additional franchises.

You may only use a food and restaurant supply distributor that we approve in advance in our sole discretion provided such distributor agrees to distribute our approved products. We may base our approval of any proposed supplier on considerations relating not only directly to the supplier, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable for the entire System.

We will derive revenue, compensation, payments or other material benefits in consideration of purchases by you or other Restaurants of the System and on account of any suppliers' dealings with us, you, and/or other Restaurants in the System. These benefits may include, by way of example, rebates, commissions and/or other forms of compensation. We do not receive rebates from all of our designated suppliers, as some provide discounts to us and our franchisees (as described above) or do not provide any purchasing incentives. We are not obligated to remit any such benefits to you and reserve the right to retain all such benefits. Any rebates received serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of these suppliers' compliance with our quality standards. In FY25, we and our affiliates received rebates as a result of required purchases by traditional franchisees from designated suppliers in the amount of $549,425. We and our affiliates do not receive any other payments from any supplier or any special discount on purchases from any supplier for us or our affiliates, in connection with purchases by our franchisees, other than what is described in this Item 8.

Purchasing Cooperatives

We have the right, in our discretion, to designate any geographical area for purposes of establishing a purchasing program ("Purchasing Program"). If a Purchasing Program is established in the area encompassing your Restaurant at the time you open for business, or is established during the term of your Franchise Agreement, you must immediately participate in the Purchasing Program.

Percentage of required purchases and leases as a total of your total purchases and leases in operating the Restaurant

The estimated proportion of required purchases, purchases from approved suppliers and purchases in accordance with our specifications to all purchases in establishing the Restaurant business is ninety-five percent (95%), and in the operation of the franchised Restaurant business is ninety-five percent (95%). We currently do not require that you purchase any products from us; however, nearly all products you sell must meet our standards and specifications.

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the minimum insurance coverage that we periodically require. Currently, we require the following insurance in the amounts specified below, which we may revise from time to time:

General Liability Insurance Five Million Dollars ($5,000,000) per occurrence for bodily and personal injury or death, Five Million Dollars ($5,000,000) policy aggregate for bodily and personal injury or death and One Million Dollars ($1,000,000) per occurrence for property damage. Liquor liability coverage is required if you serve beer and wine.

Property insurance One hundred percent (100%) of the full replacement cost or such additional coverage as may be required by the lease for the Restaurant property.

Business Income Interruption Insurance Minimum of twelve (12) months loss of income, including coverage for the Royalty and System, Advertising Fee, and License Fee during the rebuilding process.

Workers Compensation And Employers Liability Insurance Amounts adequate to satisfy state requirements.

Auto Liability Insurance Minimum liability protection of One Million Dollars per occurrence, and One Million Dollars in the aggregate. If no autos are owned or leased in the operation of the Restaurant, we require auto liability for "hired and non-owned" exposure at a minimum of Five Hundred Thousand Dollars.

Builder's Risk Insurance Coverage which is commercially reasonable given the value of the improvements or such higher amount sufficient to satisfy any lease requirements.

Unemployment Compensation, Social Security And Other Insurance Coverage- Coverage sufficient to meet state requirements.

Our insurance requirements are set forth in Article 9 of the Franchise Agreement. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Restaurant; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

Advertising, Marketing & Promotional Materials

All advertising, marketing and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks (see Item 13) in the form, color, location and manner we prescribe. We require you to post all interior and exterior marketing materials in strict accordance with our published criteria (as revised from time to time), except as prohibited by local regulation. All of your advertising, marketing and promotions in any medium must be conducted in a dignified manner and must conform to the System. You must obtain our approval before you use any advertising, marketing or promotional materials before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property. We may require that you order certain local marketing, advertising and promotion materials, including coupons, print media, digital media, social media, outdoor advertising, radio and television advertisements only through us or vendors we have approved.

Required Technology

For each location, we have the right to specify or require that you use certain brands, types, makes, and/or models of communication, information technology and/or computer hardware and software and related equipment including without limitation kiosks, menu boards, back office and point-of-sale systems (including but not limited to food cost management, supply management and labor management systems) and anti-virus software ("Required Software"), camera/surveillance systems, drive-thru systems, communication (headsets for which there is one designated vendor which requires support at a current cost of $ 1,044 per year plus onsite service fees that vary based on component), music systems and playlist for which there is one approved vendor at a current cost of $216 per year for the streaming services only, kitchen production system, computer network, printers and other peripheral hardware or devices; archival back-up systems, broadband access specifications including mode and speed, the tangible media upon which you will record data; the database file structure for the point of sale system, and similar hardware, software or devices designed to enhance the efficiency of restaurant operations (collectively, the "Required Technology"). In addition, we require that you

use the sole approved vendor for hardware maintenance and dispatch repair (currently $6,000 to $8,000 annually due in quarterly installments dependent on quantities of hardware installed). Fees to outside vendors we designate may increase; however, we negotiate on behalf of the system to obtain the lowest possible costs.

We require your point of sale system to record gross sales and transaction data (such as item ordered, price, and date of sale) and currently there is only one approved point of sale system. On-line ordering is a required component of the point of sale system. See Item 11 for details. We currently require each new Restaurant to have upload broadband network connectivity of a minimum of 25/10Mbs although 50/20Mbs is recommended (or a lesser amount equal to the maximum upload bandwidth available at your Restaurant location). Each new Restaurant is required to install the designated surveillance system in the number and location we require, which may include audio capability. The number of cameras required varies by prototype and size of Restaurant. You must contract directly with the approved vendor and are responsible for the ongoing cost of the cameras. You must provide us with the Internet Protocol address for the surveillance system so we may access and record the surveillance remotely. There is only one approved vendor for high definition surveillance systems, and we will not consider alternate vendors due to the integration of the surveillance system with our monitoring center. Currently the initial charge for the surveillance system is $10,500.

In order to support evolving integrations that are related to our brand mobile app, we do require the use of an approved payment processing platform that is specifically integrated to support "above store" transactions, such as mobile and delivery orders. We may utilize more than one payment processing platform to maximize features, and to reflect the realities of emerging technologies, payment options that customers will be looking for, etc. Our ancillary above store payment provider involves an annual fee of $114 and $0.03 cost per transaction, plus interchange fees.

Restaurant Location

If we have not agreed upon the exact location of the Restaurant at the time you sign the Franchise Agreement, within seventy (70) days of execution of the Franchise Agreement you must identify a specific location for the Restaurant and submit information about such proposed location in such form as we may prescribe from time to time. Before you purchase or lease the site or begin construction at the site, you must obtain our written consent to the proposed site, including the final site and building plans. We do not charge for our initial review of your adaptation of our prototype plans to your proposed location, but if you propose any changes, we (or our affiliates) may charge a fee of $1,000 for each set of drawings we review, including changes proposed by the local government. We must consent in writing to the architect and general contractor you hire to design and construct your Restaurant to ensure compliance with our design and quality standards. If you lease the site, your lease must incorporate our form of Lease Addendum, which includes an assignment of your lease to us under certain circumstances, including if your Franchise Agreement is terminated.

If you own the site, you must record a Declaration of Franchise Agreement, as set forth in Appendix D of the Franchise Agreement, which states that we have the right to consent to a sale of the property to ensure that the resulting lease of the Restaurant property (even if such sale-leaseback is to an affiliated entity) complies with the Franchise Agreement (Franchise Agreement Section 3). You must make your own business judgment about any particular site.

For the classic to conversion format restaurants, you will purchase, lease, or sublease the restaurant property from us or our affiliates.

Except as stated in this Item 8, there are currently no goods, services, supplies, equipment, computer hardware and software or real estate which you must purchase or lease from us or our designee, or from suppliers approved by us; however, we reserve the right to require you to purchase such items or services from us or our affiliates.

Pricing and Promotion Requirements

Unless prohibited by applicable law, we reserve the right, in our sole discretion, to establish maximum and minimum prices that you may charge for all products and services offered by your Restaurant and to require that you participate in price-related promotions. You must comply with our directives. Additionally, we require the Restaurants to offer all promotional items and discounted pricing of specified menu items as we require from time to time. There is no limit to the number of promotional items we may require. We reserve the right to allow deviations, in our sole discretion, from our established prices and promotions on a case-by-case basis. Any deviations will be made in our sole discretion and must be approved in writing by our Chairman.

Vending Machines

We require all Restaurants in the System to install all vending machines, video games, gum or candy machines, rides or other similar devices as we may require from time to time, except as prohibited by applicable law. Sales from these devices are included in Gross Receipts and subject to the Royalty and System, License and Digital and Production Fund Fees. We reserve the right to modify the required devices from time to time. Currently there is only one approved vendor. There is no fee for the installation of these vending machines. You are responsible for ensuring that any lease for the Restaurant does not prohibit installation and use of vending machines and/or candy. You may not install any vending machines without our prior written approval, which may be withheld in our sole discretion. We may require you to contract with designated vendors or suppliers of vending machines, which may include us and/or our affiliates. We have the right to retain any rebates or incentives offered by such vendors or suppliers. For new restaurants, we currently require that you use our designated vendor and in lieu of the Royalty and System, License and Digital and Production Fund Fees, the vendor must remit 7% of the Gross Receipts from the vending machines located in the Restaurant directly to us on a monthly basis.

Food Safety Audits

We require all restaurants to participate in food safety audits conducted by an approved vendor and you are responsible for the cost of the audits. We do not derive any revenue or benefits from the approved vendor.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement, license agreement, area development agreement 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**	**Disclosure Document Item**
a. Site selection & acquisition/lease	Franchise Agreement §1 & 3 & Appendices C, D & F; ADA §3& 5	Items 7, 8 & 11
b. Pre-opening purchases/ leases	Franchise Agreement §3 & 4	Items 6, 7 & 8
c. Site development & other pre-opening requirements	Franchise Agreement §3 & 4; ADA §3	Items 7, 8 & 11
d. Initial & ongoing training	Franchise Agreement §1 & 5 #9 of Appendix B-1, #3 Appendix B-2; ADA §3	Items 6 & 11
e. Opening	Franchise Agreement §3 & 5; ADA Appendix A	Item 11
f. Fees	Franchise Agreement §1.7(a)(vii), 3.2(C), 3.2(G), 3.6I, 3.6(G), 5.3(G), 5.3(J), 5.4(B), 6 & 8.2(C), 8.4, 13.2(D) and Appendix A; License Agreement §1.2 & 2.5; ADA §3& 4 & Appendix A	Items 5 & 6
g. Compliance with standards & policies/Manual	Franchise Agreement §5; License Agreement §1.3; ADA §5	Item 11
h. Trademarks & proprietary information	Franchise Agreement §1, 10, & 11 & Appendices B-1, B-2, & B-3; License Agreement §1.1	Items 13, 14 & 15
i. Restrictions on products/ services offered	Franchise Agreement §1 & 4	Item 16
j. Warranty & customer service requirements	Franchise Agreement §1, 2, 5;	Item 11
k. Territorial development & sales quotas	Franchise Agreement §1; ADA §1 & 3 & Appendix A	Item 12
l. Ongoing product/service purchase	Franchise Agreement §4	Items 6, 7, 8 & 11
m. Maintenance, appearance & remodeling requirements	Franchise Agreement §3	Item 11
n. Insurance	Franchise Agreement §9	Item 7
o. Advertising	Franchise Agreement §6, 10, & 12; License Agreement §1.3	Items 6 & 11
p. Indemnification	Franchise Agreement §3.6(G), 9 & 16, Appendices B-1, B-2 & C & Exhibit 2; License Agreement §1.5; ADA Appendix B	Item 6
q. Owner's participation/ management/staffing	Franchise Agreement §1 & 5	Item 11 & 15
r. Records & reports	Franchise Agreement §8	Item 6 & 11
s. Inspections & audits	Franchise Agreement §5 & 8	Item 6 & 11
t. Transfer	Franchise Agreement §12 & 13; License Agreement §3.1 & 3.2; ADA §6	Item 6 & 17
u. Renewal	Franchise Agreement §2; License Agreement §2.1; ADA §2	Item 6, 13 & 17

Obligation	Section in Agreement	Disclosure Document Item
v. Post-termination obligations	Franchise Agreement §11 & 12 & Appendices B-1, B-2, & B-3; License Agreement §2.3; ADA §2 & 7 & Appendix B	Items 13 & 17
w. Non-competition covenants	Franchise Agreement §1 & 12 & Appendix B-1; ADA §9 & Appendix B	Items 15 & 17
x. Dispute resolution	Franchise Agreement §15; License Agreement §4.5 & 4.6; ADA §8	Item 17
y. Other-operating standards	Franchise Agreement § 1,5	Item 11
z. Other- Personal Guarantee of franchisee's obligations required from Owners	Franchise Agreement §1 & 12 & Appendix B-1 & B-2; ADA §7	Item 15
aa. Other-Personal Covenants required from Owners	Franchise Agreement §1 & 12 & Appendix B-1 & B-2; ADA §7 & 9 & Appendix B	Items 14 & 15
bb. Other-Confidentiality Agreement required from owners, managers & certain employees	Franchise Agreement §1 & 12 & Appendix B-2; ADA §7 & Appendix B	Items 14 & 15
cc. Other-Confidentiality Agreement required from lenders, landlords, attorneys, accountants & financial advisors	Franchise Agreement §1 & 12 & Appendix C; ADA §7	Item 14
dd. Other-Restrictions on Public Statements	Franchise Agreement §1 & 12 & Appendices B-1 & B-2; ADA §7 & Appendix B	Item 14
ee. Other – Required Bookkeeping Services	Franchise Agreement §8	Item 11
ff. Other – Minimum general manager compensation	Franchise Agreement §1	Item 11

ITEM 10

FINANCING

We do not offer any direct or indirect financing. If you need assistance in securing financing, at your request and subject to payment of an additional upfront non-refundable fee, we will provide assistance in identifying third parties who offer financing. We do not receive any benefits from such third party lenders. We do not guarantee your note, your lease, or any other of your monetary obligations. We cannot guarantee that any third party lender we identify will provide financing to you. Our franchisees are generally eligible for expedited and streamlined Small Business Administration loan processing through the 'BA's Franchise Registry Program (www.franchiseregistry.com).

ITEM 11

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

Except as listed below, we are not required to provide you with any assistance.

Before you open your Restaurant, we will provide the following:

1. Location of Restaurant

After you sign a Franchise Agreement, we will provide you with our current site selection guidance (Franchise Agreement, Sections 1 and 3). You must identify an exact location for the Restaurant and submit for our review a Site Development Rationale, Letter of Intent and Site or Floor Plan ("Location Package") in conformance with our requirements no later than seventy (70) days following execution of the Franchise Agreement, failing which, we may terminate the Franchise Agreement and retain the Franchise Fee. The Location package must include, among other things, demographic data, traffic flow information, area income analysis, a location description, a site plan and area competition information. Your proposed location for a Restaurant is subject to our acceptance, which shall be deemed denied if we do not respond within twenty-eight (28) days after we receive your site evaluation. The site must meet our criteria for demographic and psychographic characteristics; traffic patterns; parking; retail density; character of neighborhood; size; appearance; and other physical and commercial characteristics.

If you have signed a Franchise Agreement for which an exact location has not been approved and we do not accept your proposed location for the Restaurant within one hundred thirty-five (135) days of execution of the Franchise Agreement, we will refund seventy-five (75%) of your Initial Franchise Fee to you and we will retain the remaining twenty-five (25%) as compensation for our review of proposed locations provided that you identify a specific location and submit the Location Package in conformance with our requirements within seventy (70) days of the Effective Date of the Franchise Agreement.

You may either own or lease the premises upon which the Restaurant is located (Franchise Agreement Section 3). We do not provide assistance in negotiating the purchase or lease of a site, although we require that any lease contain certain provisions, which are set forth in Appendix C to the Franchise Agreement. You will be responsible for paying any third party costs, including attorneys' fees.

Additionally, if you own a site, unless you secure financing to purchase the property through the Small Business Administration, we require that the property be subject to a Declaration of Franchise Agreement, as set forth in Appendix D of the Franchise Agreement, which states that we have the right to consent to a sale of the property to ensure that the resulting lease of the Restaurant property (even if such sale-leaseback is to an affiliated entity) complies with the Franchise Agreement (Franchise Agreement Section 3).

If you sign an ADA, we will designate the geographical area in which you will have exclusive rights for development, the development schedule for Restaurants within the exclusive area and required opening dates thereof (ADA Section 3.01).

2. Permitting

We do not provide any assistance in verifying whether a site conforms to local ordinances or building codes nor do we assist you in obtaining permits. You are solely responsible for obtaining all approvals

necessary for the construction of the Restaurant. You may elect to use our designated vendor for certain site development services, and to pay this vendor the fees disclosed in Item 7 of this Disclosure Document. We reserve the right to terminate our arrangement with this vendor at any time, or to designate a substitute vendor. If we determine that you are behind schedule, we may require you to hire, at your expense, a permit expediter or similar third party vendor who will assist you in securing permits.

3. Construction of Restaurant

We will make available to you our standard building plans, specifications, and layouts at no cost in "pdf" format. If you request CAD ready drawings, we will authorize our architect of record to release our prototypical plans to you, your architect and engineer; however, you must sign the indemnification waiver required by the architect. You may only use architects and general contractors which we have approved. You are responsible for having our prototypical plans adapted at your expense for the particular location and as necessary to comply with applicable building codes and other legal requirements. You are responsible for resolving any zoning issues and obtaining permits at your expense. You must obtain our approval of your final construction plans. We are not obligated to help you conform the Restaurant premises to local requirements or obtain required permits. You may elect to use our designated consultant for certain site development services, including certain construction services, and to pay this consultant the fees disclosed in Item 7 of this Disclosure Document. We reserve the right to terminate our arrangement with this consultant at any time, or to designate a substitute consultant.

We will also provide you with the specifications and approved suppliers for the equipment, furnishings, design, décor, and signs that we require, but that we neither deliver nor install. (Franchise Agreement, Sections 1 and 3). (See Item 8 for details).

We require that you continuously maintain the interior and exterior condition and appearance of the Restaurant in accordance with our prescribed standards of quality, service and cleanliness, and make such repairs and replacements thereto as may be required, including without limitation, such periodic repainting, replacement of floor coverings, wall coverings, light fixtures, furniture, fixtures and other décor items as such items become worn out, soiled or are in disrepair, as we may reasonably direct. All replacement fixtures, equipment, décor items, supplies and other items used in the Restaurant must comply with our then-current standards and specifications. (Franchise Agreement Section 3).

You must purchase any additional equipment and smallwares as we deem reasonably necessary in connection with new menu items we require throughout the System. We may periodically require you to complete minor renovations to the interior and exterior of the Restaurant (including new or replacement signage), including but not limited to painting, new or replacement wall art, new or replacement interior and exterior signage and other minor non-structural alterations if we require similar modifications to a majority of the Steak n Shake By Biglari Restaurants of the same format and similar age within the US. If we require you to begin offering a new menu item that requires the purchase of additional equipment or we require minor renovations, you will have a reasonable period of time, as we determine, to install the equipment or complete the minor renovations. (Franchise Agreement Section 3).

We may periodically require you to make such improvements, alterations, repairs and replacements to the Restaurant premises, equipment and furnishings to our then-current System standards and specifications, which may be limited to the prototype building in which you operate or the concept which you operate rather than the entire System; provided, however, such improvements or alterations

shall not be required more often than every five (5) years, or such earlier date that similar improvements or alterations are required by us for a majority of the Steak n Shake By Biglari Restaurants of the same format and similar age within the US. Expenses necessary for the general repair and maintenance of the Restaurant, new equipment for new products, minor renovations (including signage), and replacement or additions of Required Technology are not subject to the time limitations described in the preceding sentence. You must complete such changes, alterations and/or improvements at your sole cost and expense within a reasonable time period we determine taking into account the time for any required permits. We do not assist you with remodeling other than providing you with an approved list of suppliers and standard architectural plans which you must customize for your Restaurant and conform to applicable laws and ordinances (Franchise Agreement Section 3).

4. Training, Hiring and Other Assistance

You are solely responsible for hiring the employees and managers for your Restaurant; however, we require that you affirm that such individuals meet the following criteria of Character, Competency, and Chemistry including but not limited to: possess a track record of successfully owning or managing restaurants similar to Steak n Shake By Biglari Restaurants; possess good moral character, communication and team building skills, and have the aptitude and ability to conduct the business contemplated by the Franchise Agreement; will be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement; will devote his or her full-time and best efforts to the satisfaction of your obligations under the Franchise Agreement and the daily operations of the Restaurant; and live within the general area of the Restaurant. We require that you offer your General Manager an annual compensation (based on salary, bonus, and fringe benefits) of a minimum of Seventy Thousand Dollars ($70,000) to ensure that you are hiring and retaining highly qualified individuals. You are free to offer compensation higher than the minimum we require.

We require that you hire and train a minimum number of managers based on our guidelines set forth below. The number of managers you must hire will vary based on your anticipated volume and restaurant format with higher volume restaurants requiring more management. We strongly encourage you to hire more than a sufficient number of managers prior to your Restaurant opening so that you can maintain adequate staffing levels in the event of turnover. The following chart sets forth general staffing guidelines:

Minimum Staffing Levels		
Restaurant Type	**# Managers**	**# Associates**
Quick-Service Format	1 General Manager, 1 Restaurant Manager, 2 Shift Managers	40-50
Non-Traditional Format	1-3	20-40

You are solely responsible for hiring the employees and managers for your Restaurant. Before you open your first Restaurant, we will provide you, your General Manager, Principal Owners and up to four (4) of your managers with management training. The length of the training program varies based on the type of Restaurant you will operate and the experience of your management. The minimum number of training and skills validation weeks apply only to managers with substantial experience operating a restaurant similar to a Steak n Shake By Biglari Restaurant, as we determine.

Restaurant Type	Number of Managers	Management Training Program # Weeks	Pre-Opening Duties # Weeks
Quick-Service Format	Up to 4	3 to 6	5
Non-Traditional Format	Up to 3	3 to 6	4

Note: Based on fifty (50) hours per week.

Additional information regarding training is provided later in this section. We may provide additional pre-opening guidance regarding hiring and training employees, ordering initial inventory and calibrating/verifying equipment functionality as we deem necessary to assist you in satisfying the standards set forth in the Manual (Franchise Agreement Sections 1 and 5 and ADA Section 3).

We require you and your managers who will participate in the training program offered in our restaurants to sign a Confidentiality and Waiver Agreement prior to beginning training. This Agreement requires you and your managers to maintain the confidentiality of confidential information disclosed during training and to waive any claims against us arising from you or your managers' participation in the training program, excluding our gross negligence or willful misconduct.

5. Equipment, signage, opening inventory and supplies.

Our Manual contains the names of approved suppliers of equipment, furniture and fixtures required for the Restaurant. We do not assist you in obtaining these items. Our Manual contains the names of required products, as well as the specifications for such required products. We do not provide or deliver your opening inventory.

Length Of Time Between Agreement Execution and Restaurant Opening

The length of time between the signing of the Franchise Agreement and the opening of a Restaurant varies depending on the time you take to complete your real estate acquisition and to permit and construct the building. Typically, the time necessary for the opening of a Restaurant will range from four (4) to eight (8) months depending on lease negotiations, permitting and the time to build out. The Franchise Agreement requires that the building and improvements will be constructed in strict compliance with the final plans and specifications, as approved by the local governing body and us, and that the Restaurant will open for business within twelve (12) months after execution of a Franchise Agreement, unless we mutually agree to a different opening deadline. If you sign an ADA, a development schedule agreed to by the parties will establish the required opening dates for each Restaurant. If you fail to hire a sufficient number of managers or you experience turnover in management during the pre-opening period, your restaurant opening date could be delayed if you do not have a sufficient number of managers who have completed our required training program.

Our Post-Opening Obligations

1. Developing Products

During the term of your Franchise Agreement, we will provide you with access to our Manual, which may only be available in electronic format, as may be revised from time to time, in our discretion, to incorporate new developments or other changes in System standards, including, without limitation menu offerings, maximum, minimum, or other prices we or our affiliates specify for menu items, specifications, procedures, and techniques.

2. Hiring and Training Employees

You are solely responsible for hiring the employees for your Restaurant. If you replace any manager(s), newly hired and replacement managers including Managers, Restaurant Managers, General Managers, multi-unit supervisors and/or new managing owners must successfully complete our Management Development Program or then-current training program.

3. Improving And Developing The Franchised Business

We may, in our sole discretion, establish "quality control" programs, such as a "mystery shopper" program, other consumer feedback systems, 800 numbers and evaluations to ensure the highest quality of service and products in all Restaurants. You must participate in any such quality control programs, and bear your proportionate share of the costs of any such program, including providing discounts or refunds to customers, as determined by us in our sole discretion. We shall have access to any data resulting from such programs implemented at the Restaurant (Franchise Agreement Section 5.1(D)).

We require you to use our designated guest response system, which allows guests to contact us with their feedback and give them the option of speaking to a live customer service representative. The purpose of this system is to resolve guest complaints in a timely and consistent manner. Compliments and inquiries/suggestions are collected for use in motivating associates or generating new ideas to enhance operational performance. For reporting purposes, the system collects and reports customer feedback based on certain designated categories to help detect problem areas and correct issues promptly. The cost per month for a franchisee is currently $19.75 for each Restaurant, plus the cost of any gift card issued to the guest (currently up to $20 per call), plus a processing fee of $2 per gift card issued.

4. Establishing Prices

Your Restaurant must offer all of (and only) the food, beverages and other products and services that we, in our sole discretion, determine to be appropriate for Steak n Shake By Biglari Restaurants. You may use only the Designated Menus that reflect the required offerings. Unless prohibited by applicable law, we reserve the right to establish maximum and minimum prices that you may charge for all products and services offered by your Restaurant and you must comply with our directive. If we establish a maximum price for a particular item, you may charge any price up to and including the established maximum price. If we establish a minimum price for a particular item, you may charge any price down to and including the established minimum price. The established maximum and minimum price might, at our option, be the same. Regardless of whether we establish a maximum or minimum price, we may require you to comply with advertising policies and promotional programs we adopt which may prohibit you from advertising any price for a product or service that is different than our suggested retail price. You will also be prohibited from using any of the Marks in connection with advertising any particular product or service that does not, in all respects, meet our standards, specifications and requirements. We reserve the right to allow deviations, in our sole discretion, from our established prices on a case-by-case basis; however, any deviations must be approved by our Chairman.

5. Accounting Services

We currently do not offer accounting services to franchisees; however, we may at a later date offer accounting services at a monthly rate consistent with market rates but we will not be the sole approved provider of such services. You will not be required to use our accounting services, but we require that you use a bookkeeping service we designate and pay for such services directly (currently estimated at $295 per month) for monthly financial statements (income statement, balance sheet and cash flow),

accounts payable processing, weekly cash deposit verification & weekly credit card verification, bank reconciliations (one account), and fixed assets accounting). We do not receive any payments from the bookkeeping service. We will furnish a sample format of a chart of accounts, statements of earnings and financial position, and you must strictly adhere to the format we specify (Franchise Agreement Section 8). You are required to submit a monthly profit and loss statement, as well as annual financial statements and tax returns in the required format, and you must authorize the designated bookkeeping service to provide us copies of the foregoing, along with any supporting documentation. Before you open your Restaurant for business, we require confirmation that you have contracted directly with the designated bookkeeping service. If you fail to submit to us the reports described in Section 8.2 of the Franchise Agreement in the format we require, we may require you to retain at your expense, a reputable accounting firm selected by us to perform these accounting services or we may charge you a Fifty Dollar ($50) per day late reporting fee.

6. Resolving Operational Problems

We may, at our discretion, send representatives to your Restaurant to consult with you about optimizing your Restaurant operations, and we will inspect the premises and review your operation of the Restaurant (either in-person or through the use of surveillance or other technology) to determine the efficiency and quality of the operation and compliance with the Manual and terms of your Franchise Agreement (Franchise Agreement Sections 1 and 5). We may, following your reasonable written request, or, if a material breach occurs, furnish services to you to remedy specific operational problems you encounter, which additional services are beyond the scope of our obligations under the Franchise Agreement. You must reimburse us promptly for our actual time and actual expenses incurred in assisting you.

Advertising and Marketing Expenditures.

We require you to pay us one percent (1%) of Gross Receipts for advertising and marketing (the "**Digital and Production Fund Fee**").

Digital and Production Fund. The Digital and Production Fund Fee will be used by us, at our sole discretion, to maximize general public recognition of the System, which includes expenditures reasonably related to the creation, development, administration and supervision of marketing and advertising programs and menu development for all System Restaurants ("**Digital and Production Fund**"). The Digital and Production Fund will not be subject to audit, nor will we provide an accounting to you specific to the Digital and Production Fund. The Digital and Production Fund is not a trust or escrow account, and we have no fiduciary obligation to you with respect to the Digital and Production Fund. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, digital, social and other media employed and contents, terms and conditions of marketing campaigns and promotional programs. We are not required to spend a prorated amount on the Restaurant or in each advertising market. We have the right to make disbursements from the Digital and Production Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns.

We will control the creative concepts and the materials and media to be used and we will determine the placement and allocation of advertisements used in a Digital and Production Fund. We may use print, television, Internet, digital or other media for advertisements and promotions.

Local Advertising and Promotion. All local marketing, advertising and promotion must conform to our standards, specifications and requirements and our prior written approval shall be required for all

Local Advertising and Promotion. Our web-based marketing toolkit allows you to create and order frequently used local marketing materials. Charges for materials and shipping costs are based on the quantity of materials ordered and these costs are outlined in advance to you in a typical internet retail shopping cart function. If you approve the order, you will directly pay the third party vendor.

In conducting your local marketing, we may require you to comply with advertising policies and promotional programs we adopt which may prohibit you from advertising any price for a product or service that is different than our suggested retail price. You will also be prohibited from using any of the Marks in connection with advertising any particular product or service that does not in all respects meet our standards, specifications and requirements.

We may require that you order certain local marketing, advertising and promotion materials, including coupons, print media, digital media, social media and outdoor advertising. If we elect to procure Local Advertising and Promotion on your behalf which requires us to pay the vendor and seek reimbursement from you, we may charge you an administrative fee of fifteen percent (15%) of the invoice amount for our services.

Additionally, if you request our assistance in creating custom Local Advertising and Promotion not available through the toolkit, our marketing department may assist you by contacting third party vendors to develop an estimate for your approval to cover custom design, development, production and fulfillment. We may charge a fee of $50-$135 per hour for such services based on the nature of the work and the market rate for such services. You are responsible for paying any third party vendors for any goods or services and/or agency fees you elect to obtain in connection with our custom marketing services.

The term "**Local Advertising and Promotion**" as used herein shall refer to advertising and promotion related directly to the Franchised Restaurant, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses). Franchisor may provide to Franchisee, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "Local Advertising and Promotion," including, without limitation, products sold at a discount or given away as part of promotional programs or the value of advertising coupons.

In FY25, the "Digital and Production Fund" was spent in approximately the following percentages: eleven percent (11%) for technology, twenty-six percent (26%) for gift card related expenses (printing, shipping and third party gift card vendor commissions), ten percent (10%) for production fees (Billboard production and agency fees), forty-one percent (41%) for printed materials (ISME & menus) and twelve percent (12%) for administrative expenses.

Our marketing strategies and campaigns are developed in-house and in conjunction with outside agencies (Franchise Agreement Sections 6 and 7). Your use of digital media, including the Internet, as used for supplemental advertising, requires our prior written approval.

The Digital and Production Fund Fee is payable weekly by electronic fund transfer. Expenses attributable to the implementation of advertising and marketing programs are allocated to franchise and company-operated restaurants on the same basis within each advertising market.

We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Restaurants for advertising/marketing development. All monies are co-mingled with general account monies. We have the right to retain any Digital and Production Fund Fee that are not expended in any given year for application to future marketing and advertising expenditures. We do not have an advertising council composed of franchisees. You are currently not required to participate in any local or regional advertising cooperatives; however, we reserve the right to require your participation in the future. The Digital and Production Fund Fee is not used for advertising that is principally a solicitation for the sale of franchises.

If you request that we provide additional advertising and/or marketing support customized to your Restaurants, we may elect to provide such services for a fee.

Computer Systems and Required Technology

You must purchase and use all of (and only) the computer systems and Required Technology we require. A list of the current Required Technology is included below. You are required to purchase the NCR Aloha Point of Sale software and hardware through NCR (terminals, kitchen screens, bump bars, back-office server, printers, payment devices), the Acrelec Kiosk solution through Acrelec and Cash Machine through Glory. (See Item 7, Footnote 10). Our suppliers and approved vendors may charge set up and installation fees as well as other charges, including ongoing monthly fees. We require you to pay an initial fee for use of our labor management systems. Annual maintenance fees apply to food cost, supply management and labor management systems. We are not required to assist you in obtaining or maintaining any of the necessary Required Technology, although we may, at our discretion, offer assistance and currently do so.

Solution	**Required by Franchisor:**	**Invoiced By**
POS/Labor Software	Yes	Vendor
POS Hardware	Yes	Vendor
Headsets	Yes if drive-thru location	Vendor
Drive-thru Timer	Yes if drive-thru location	Vendor
Cameras	Yes	Vendor
Music	Yes - must use our approved playlist	Vendor
Pagers	Optional	Vendor
Order confirmation Board	No	Vendor
Guest Wi-Fi	No - But must use required vendor due to compliance	Vendor
Digital Menu Boards	Yes	Vendor
Point of sale software maintenance	Yes	Vendor
Point of sale hardware maintenance	Yes	Vendor
Headset Maintenance	Yes	Vendor
Food cost/supply chain software	Yes	Us
Drive-thru Timer Maintenance	Yes	Vendor
Credit Card Maintenance	Yes	Vendor
Network hardware and service	Yes	Vendor
Help Desk	Yes	Us

Minimum Technology Requirements for POS and Kiosk Platforms

Component	Vendor	Minimum Component Requirement	Component Overall Quantity
POS Terminal	NCR	Drive Thru Order Taker, Drive Thru Cashier, Front Counter	4
Kiosk	Acrelec	Kiosk terminal with payment device and printer	5
Cash Machine	Glory	CI-10X model machine	1

We currently require each Restaurant to have upload broadband network connectivity of a minimum of 25/10Mbs although 50/20Mbs is recommended (or a lesser amount equal to the maximum upload bandwidth available at your Restaurant location). Franchisee must use our approved network maintenance provider for hardware and support services to ensure PCI compliant network, logging, intrusion prevention, and compliance mandated updates. Franchisee is required to implement authorized cellular backup technology through the approved network provider to supplement primary internet service. We require that you contract for help desk support at an annual cost of $701.00 per Restaurant which is paid to us. We currently charge $1,106.00 annually per Restaurant for support services and maintenance for point of sale, polling and reporting, $650.00 annually for our network infrastructure and $875.00 annually for maintenance and support for the food, supply, and labor systems. We reserve the right to increase the annual fee for support services in our discretion.

The iOS and Android app provides guests the ability to pay in-store through the POS from their smartphone, mobile payment options (stored value, credit card or debit card purchase, auto fund reload), a comprehensive loyalty rewards program, in app gifting, migration of gift card balances, as well as store geo-location and menu information. The then current monthly fee is payable from the Franchisee's Digital and Production Fund and covers the system support for these services provided by the then current third party vendor we require you to use. The company may at its sole discretion change vendors or increase fees to support the continuing development, maintenance and program costs of new features to the app and loyalty program. While the loyalty program promotions include member communication, reporting and analytics there is a redemption fee for each successful promotion.

You will be required to participate in programs, the use of applications and similar technologies that are used to support digital engagement and order capabilities that impact the overall brand experience for our guests. This would include participation in digital menu management platforms and participation in third party delivery service and various approved delivery services providers.

This includes participation in the Steak n Shake mobile app, which requires a digital menu integration with our online ordering provider. If you convert to our current digital menu management provider, you will also need to transition to use the online ordering provider's middleware platform to support delivery marketplace orders with service providers. Participation in our third party delivery program with our primary delivery marketplace vendor is required, unless service is not available for a specific store location. The online ordering provider's menu service costs $57.18 per month.

You may not use other point of sale system, unless we determine in our sole discretion that it conforms to our standards, including transmission of point of sale data to us in the format we designate; and as a condition to approval, we may require you to pay a fee to us which is currently estimated in the range of $10,000 to $20,000 for the cost of our time and labor to review and certify non-standard hardware and software providers, plus the actual cost of our labor for any on-going custom integration or support which would be required to ensure that such non-standard point of sale system meets our then-current standards and specifications and/or to facilitate the exchange of transaction data you are required to provide us.

If we change or modify our electronic point of sale system, computer systems or Required Technology used in the Restaurants, you are required to change or modify your electronic point of sale or computer system to conform to our new standards (Franchise Agreement Section 3). There are no contractual limitations on either our right to require you to obtain updates and/or upgrades, or the cost of any updates and/or upgrades. We reserve the right to become the supplier of additional hardware, software, technology or support services in the future and charge additional fees for such services. In addition to these fees, we reserve the right to pass thru annual fees for support services from external vendors at our discretion.

We will gather financial and operating information from the electronic point of sale system and computer system at your Restaurant by electronic transfer. You must make sure that we have electronic access to your point of sale and computer system at all times, at your expense. We have the right to independently access all information you collect or compile at any time without first notifying you. We require all franchisees to utilize an email address we provide in order to notify franchisees of computer system updates. You are responsible for monitoring the email account for updates.

We require that you purchase and install, at your sole expense, a video surveillance system which is approved by Steak n Shake in its sole discretion and provides continuous real-time and recorded visibility and audio coverage to those areas of the Restaurant as we may require via the Internet or such other method as we may require from time to time. Currently, there is only one approved vendor for our surveillance system. The purpose of the surveillance system is to verify your compliance with the terms and conditions of the Franchise Agreement and the Manual and to confirm whether you are maintaining the quality of service and products as we require. You will remain solely responsible for all activities within the Restaurant and we have no obligation to monitor the Restaurant for safety or security concerns or compliance with applicable laws and regulations. You must agree to indemnify and hold us harmless from any and all damages, claims, demands, actions, suits, proceedings or judgments of any kind or nature, by reason of any claimed act or omission by us arising solely from our surveillance access to your Restaurant.

Payment Card Industry Data Security Standard (PCI DSS)

You must take steps necessary to comply with the "Payment Card Industry Data Security Standard" ("PCI DSS"), must validate compliance with the PCI DSS annually and subject your point of sale network to quarterly vulnerability scans. Also, you must put in place proper network security measures required by PCI DSS. We require that you purchase PCI DSS validation, vulnerability scanning services, and network security measures from a supplier approved by us.

Manual: The table of contents of Steak ‘n Shakes proprietary Manual is set forth below.

Operations Manual – Table of Contents
The Steak ‘n Shake Story
Recruiting, Hiring, and Retention
Team Training and Development
Certified Trainer Development
Manager Training and Development
Guest Service and Hospitality
Daily Operating Procedures
Recipes and Product Builds
New Product Implementation
Prep specifications
Station Aids and Print Materials
Equipment Care and Maintenance
Marketing and Public Relations
Safety and Security
Cleaning and Sanitation
Restaurant Technology
Accounting and Cash Management
Building and Brand Standards
Uniform and Appearance Standards
Construction and New Restaurant Opening Procedures

Each section of the Operations Manual will be provided as a separate electronic page, or series of pages, that may vary in size and number depending on the settings you select on your computer. As such, this Table of Contents is not divided into page numbers.

You may review copies of the Manual at our offices or by web conferencing before you sign the Franchise Agreement, subject to execution of a Confidentiality Agreement in the form attached hereto as Exhibit F.

Our Training Program

Our Management Development Program is a structured “blended learning” training program designed to teach your management the fundamentals of operating a Steak n Shake By Biglari Restaurant, including restaurant operations, leadership development, restaurant management skills, food safety and brand standard execution. Shift Managers, Restaurant Managers, and General Managers must complete the required restaurant training in Steak ‘n Shake University, and pass an in-restaurant skills validation.

Our training program begins with hands-on technical training in which managers will be trained on every position in the restaurant. Each training day is comprised of explanations and demonstrations, followed by manageable tasks of hands-on training and feedback. The second phase of training focuses on basic supervision training to introduce the tools available for supervising the back and front

Training Overview **General Manager, Approved Operator, Restaurant Manager and Managers**		
Training Schedule	**Hours of On-The-Job Training**	**Location**
Week 1 Currently includes Orientation & Production, Food Safety and Station Training	50	Certified Training Restaurant
Week 2 Currently includes Station Training	50	Certified Training Restaurant
Week 3 Currently includes Cash handling, Shift Leadership, Guest Focus, and Opening, Cleaning, and Closing systems.	50	Certified Training Restaurant
Week 4 Currently includes Hiring, Training, Truck Ordering, Inventory Management, and Cash Reporting, Scheduling, Labor Management, and Restaurant Leadership	50	Certified Training Restaurant
Week 5 Currently includes Management systems and Business Analysis	50	Certified Training Restaurant
Week 6 Currently includes validation and observation while learners put the skills they have learned to work in real time with trainer oversight	50	Certified Training Restaurant

of house operations. Phase three introduces the tools available for leading the back and front of house operations, including scheduling, inventory and ordering as well as daily operations of the Restaurant.

Owners who are actively engaged in managing the day-to-day activities of the Restaurant must complete our Management Development Program described above. We will attempt to schedule the restaurant familiarization program at a Restaurant located near you based on availability. We do not charge a fee for the owner's familiarization program or orientation; however, you are responsible for transportation and lodging expenses. As part of our training program, your managers are required to demonstrate competency in their respective functions while under the supervision of our Training General Manager in a Certified Training Restaurant.

Training Program

We deliver Management training for Franchisees and General Managers at Certified Training Restaurant locations. In order to certify and train on behalf of Steak 'n Shake, Training General Managers must have a minimum of two (2) years of experience in the field and a minimum of one (1) year of experience with us, and completed six (6) weeks of General Manager training, in addition to certifying their store and their staff performs at a Gold Standard level across the spectrum of brand standards. Our Franchise Directors provide additional support in the training of owners and multi-unit supervisors.

Our training program is subject to change at our discretion, and you will be required to comply with any subsequent changes to the training program. You will be required to complete the version of the training program in effect at the time your managers receive their initial training prior to beginning work in the Restaurant.

The following table summarizes our current training program.

Training Program

Franchisee Management Training	**Hours of Learning**	**Hours of On The Job Training**	**Location**
Position Training *Dish, Host, Fountain, Drive Thru, Grill, Toast, Steam, Dressing Table 1 & 2, Fry, and Expo*	7	73	Certified Training Restaurant
Shift Management Functions *Training, Coaching, Labor Deployment, Running a Shift, Food Safety, Health Inspections, Cash Accountability, Cleaning Program, Uniform Standards, Equipment Troubleshooting, POS functions, Opening and Closing procedures.*	6	74	
General Manager Functions *Leadership Skills, Writing schedules, Labor Management, COGS Management, Inventory, Ordering, Cash Systems, Reporting tools, Time Card Admin, Equipment Maintenance, HR Functions, Guest Experience Data.*	10	80	
Totals for Franchisee Management Training	**23**	**227**	**Combined Total: 250**
Franchisee Manager Validation	**Format**	**Typical Time Frame**	**Location**
Management Skill Validation *Leadership and Management Skills*	Remote Knowledge Validation	90-120 minutes	Zoom or Online video teleconference.

Gold Standard Validation *Store performance in guest experience, cost control, sales growth, and brand standards.*	In Person Skills Validation	4-6 hours	Franchisee Store
Totals for **Franchisee Manager Validation**	**Remote and in person validation**	6 – 8 hours	**Combined Total Training and Validation: 258 hours**

Opening Assistance Our current training program includes the following (and is subject to change): We will furnish, or cause our affiliate to furnish, at our expense, representatives to assist in the opening activities of your first Steak n Shake Restaurant. If you do not operate any other franchised Steak n Shake Restaurant, we will furnish trainers who will provide guidance and assistance for the Restaurant opening totaling 400 hours. If you operate one franchised Steak n Shake Restaurant, we will furnish trainers for your second Restaurant opening who will provide guidance and assistance totaling 225 hours. If you operate two Steak n Shake Restaurants, we will provide trainers for your third and additional Restaurant openings thereafter who will provide guidance and assistance totaling 225 hours.

Hours of Opening Assistance Provided by Franchisor		
#of Steak n Shake By Biglari Restaurants You Operate		
None – First Restaurant Opening	**Second Restaurant Opening**	**Third Restaurant Opening**
400 hours	225 hours	225 hours

For any openings other than your first Steak n Shake By Biglari Restaurant, we require that you use qualified staff from your operating Restaurant(s) to assist with the required training, and your employees will be expected to provide a minimum of 500 training hours (less the hours of training we provide). If you operate four or more units the Franchisee and the Franchisor will discuss and agree upon the amount of training support that may be necessary, if any, provided by us.

The number of associates to be trained and the minimum hours of training per associate vary based on the type of Restaurant you will operate. The hours of training per associate under our current training program (subject to change) are as follows:

Restaurant Type:	**# Associates**	**Minimum Training Hours per Associate**
Quick-Service Format	20-50	48
Non-Traditional Location	20-40	24

Seven (7) weeks prior to your projected opening date, we will request that you confirm the opening date so we can make travel arrangements for our trainers. You will be required to sign the Turnover Date Commitment form attached as Rider 2 to the Franchise Agreement. If your scheduled restaurant opening date is delayed, you must reimburse us for the additional travel expenses we incur for changing our trainers' travel arrangements. These expenses will vary depending on location.

If you do not have a sufficient number of qualified staff from your other Steak n Shake By Biglari Restaurants available to fulfill your training obligations, and we must provide additional restaurant

opening support, you will be obligated to reimburse us for the wages (including overtime and payroll taxes), travel, meals and lodging for our trainers. Upon your request, or if we deem additional assistance necessary, a representative or representatives shall remain for an additional period as we determine, and you must reimburse our reasonable expenses (including salary) in providing the representative(s) for such additional period. Your management staff shall be at work and on duty during the hours we provide assistance.

You are entitled to see the training manuals before signing the Franchise Agreement, subject to execution of a confidentiality agreement in the form attached hereto as Exhibit F. The Manual will be used as the principal instruction manual for the training we provide for new Restaurants. We make no separate charge for new Restaurant training. You will be responsible for all salary, travel and living expenses incurred by you and your managers while attending training. We will supply initial instructional materials, which may include manuals and online training material access, at no additional cost.

You may be obligated to replace any manager who we determine is not qualified to manage a Restaurant. Failure to demonstrate competency in each of the training subject matters or failure to pass examinations for each of the subject matters covered in training is grounds for replacing a manager. Moreover, if you fail to complete all phases of the training program to our satisfaction, we may terminate the Franchise Agreement.

You and your management will also be required to periodically attend and successfully complete additional training, refresher and retraining programs and conference telephone calls which we conduct and require all franchisees and/or their designated employees to attend, in our reasonable discretion (Franchise Agreement Section 5). We do not charge any additional fee for this training, but you must pay the salary, travel and living expenses for you and your employees.

Before you open any additional Restaurants, all managers hired to work in your new locations must complete our training program in a Certified Training Restaurant, including Skills Validation. If you do not operate a Certified Training Restaurant, your managers must be trained at a Certified Training Restaurant owned and operated by us (or our affiliate) or another franchisee. You must pay any travel and lodging expenses associated with this training, but we do not charge for the instructional time we provide.

Internet advertising

Any Internet advertising is subject (among other things) to our review and prior written approval. The Franchise Agreement provides that you may not establish a website, nor may you offer, promote, or sell any products or services, or make any use of Marks, through the Internet without our prior written approval, which we do not have to provide. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through a website we establish.

Email and web-based communications

We will have the right to establish a website or other electronic system providing private and secure communications (e.g., an extranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the extranet that you must acknowledge and/or sign.

You acknowledge that you are strictly prohibited from: i) promoting your Restaurant and/or using the Marks on any social or networking website or application, including Facebook, LinkedIn, Instagram, TikTok and X, YouTube, or any similar sites; (ii) using a web application or native mobile app (e.g.,

iOS, Android) for the purposes of marketing, receiving customer orders, or otherwise communicating with customers; and (iii) reselling proprietary retail products or merchandise such as canned chili, beef tallow cooking oil and Steak n Shake branded apparel through any means other than from within your Restaurant, without our prior written consent, which may be withheld in our sole discretion.

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Your franchise will be for a specific site approved by us. Depending on the location of the Restaurant, we may grant you a "Protected Area" in which we agree not to operate any Steak n Shake By Biglari Restaurants as long as you remain in good standing during the Term of your Franchise Agreement, subject to our right to operate or license to others the right to operate Steak n Shake By Biglari Restaurants in a "Captive Facility", which may be located within the Protected Area. "Captive Facility" means any location in which foodservice is or may be provided by a master concessionaire and other locations which are situated within or as part of a larger venue or facility (but specifically excluding a mall or shopping center) and, as a result, are likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility, including but not limited to the following locations: airports, railroad/railway or bus stations, toll plazas/travel centers and other locations that are located on toll roads, cruise ships, government institutions, universities, schools, hospitals, military installations, casinos and casino properties, off-track betting facilities, convention centers, arenas, stadiums, parks (including theme parks), amusement facilities, and "big box" retail stores.

We will determine whether we will grant you a Protected Area and, if granted, the size of the Protected Area when we review your specific location. Whether we grant a Protected Area and the geographic scope of the Protected Area, if granted, will depend primarily upon the population and demographic factors of an area and, if relevant, will be affected by whether or not the Protected Area encroaches onto, or is within close proximity to an Indian Reservation. "Indian Reservation" means an area of land managed by a federally recognized Native American tribe under the US Bureau of Indian Affairs. Typically, in a suburban or exurban area the Protected Area will be set as a radius of two-miles around the Restaurant. In certain areas, we reserve the right to determine whether to grant a Protected Area. The Protected Area, if granted, will be described by specific geographic boundaries, such as street boundaries, latitude and longitude or other similar boundaries. If your Restaurant is located in a Captive Facility, then your Protected Area will be limited to the confines of that Captive Facility.

We and/or our affiliates may sell products under the Marks, or different trademarks, within and outside the Protected Territory through any method of distribution other than a Restaurant, including sales through alternative channels of distribution which, by way of example, include the Internet, catalog sales, direct marketing sales ("alternative channels of distribution"). You may not use alternative channels of distribution to make sales anywhere and you will not receive any compensation for our sales through alternative channels of distribution. You may not use advertising or other methods for solicitation that are directed into Protected Areas granted to other franchisees unless you obtain our prior written approval or the advertising is for the purpose of general brand awareness and does not attempt to solicit customers for a specific location.

You may relocate your Restaurant only with our prior written approval. We will base our approval upon a variety of factors, including the success of your then-current operations and demographics (including number of households and traffic patterns) relating to the proposed location. You do not receive any rights of first refusal nor any right to operate additional Steak n Shake By Biglari

Restaurants unless you sign another franchise agreement with us.
We have the right to determine in our sole discretion whether we will grant another franchise to you.

You may serve customers on the premises or provide carry-out, and you may conduct off-premises delivery and off-premises catering activities within your Protected Area. You may not, unless you have our prior written approval, engage in any other channels of distribution other than the operation of a Steak n Shake By Biglari Restaurant, except for the on-premises sale of certain Steak n Shake By Biglari retail items which we may require you to offer for sale to your guests, including but not limited to canned chili, beef tallow cooling oil, seasoning, and pepper sauce. You may not engage in any promotional activities or sell any products or services, whether directly or indirectly, through or on the Internet, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere.

The continuation of any Protected Area granted by the Franchise Agreement and the granting of any additional franchises is dependent upon your compliance with the terms of the Franchise Agreement. If you default on the terms of the Franchise Agreement, we may, in addition to our other available remedies, terminate the Franchise Agreement and the Protected Area or modify your Protected Area without your consent. As long as you remain in compliance with the Franchise Agreement, we cannot modify your Protected Area. Continuation of your Protected Area is not dependent upon achievement of a certain sales volume or market penetration.

If we enter into an ADA with you, we will grant to you the qualified exclusive right to develop additional Steak n Shake By Biglari Restaurants in a "Development Area". The size of the Development Area may range from a portion or all of a city, county, metropolitan area, or marketing area, depending on a number of factors, including but not limited to demographics and your financial and management resources. The Development Area will be described in the ADA by specific geographic boundaries, such as latitude and longitude, specified counties, or a description of municipal boundaries. We or our affiliates will have the right to operate or franchise to other parties the right to operate Steak n Shake By Biglari Restaurants operated in Captive Facilities within the Development Area or the Protected Area defined in any Franchise Agreement executed pursuant to the ADA.

The continuation of the Development Area defined in the ADA is dependent upon your compliance with the terms of that agreement, the development schedule in particular, and the terms of each Franchise Agreement you sign with us. If you default on the terms of the ADA or your Franchise Agreements, we may, in addition to our other available remedies, terminate the ADA and modify and/or reduce the Development Area without your consent. As long as you remain in compliance with the terms of the ADA and each Franchise Agreement signed with us we cannot modify your Development Area.

Prior to expiration of your ADA, if you remain qualified to continue to develop Steak n Shake By Biglari Restaurants, we may enter into a new ADA. You must provide us with notice of your interest in signing a new ADA no sooner than one hundred eighty (180) days and not later than sixty (60) days prior to the end of the term of your ADA, and upon such notice, both parties will negotiate in good faith to enter into a new ADA upon terms and conditions that are acceptable to both parties. We reserve the right to require you to (1) sign our then-current form of ADA, which may contain materially different terms; and (2) pay all fees due under such then-current form of agreement (without credit for any fees previously paid pursuant to the expiring ADA). If we are unable to agree upon the terms and conditions of a new ADA within thirty (30) days after the start of negotiations, neither party shall have any obligation to continue such negotiations.

Only an ADA grants the right to acquire additional franchises within a defined area. Under your Franchise Agreement, you do not receive an option, right of first refusal, or other right to acquire additional franchises.

Except for company-operated Restaurants, neither we nor any parent or affiliate has established other franchised or company-operated units which sell the products or services offered by System Restaurants under a different trade name or trademark, but we reserve the right to do so in the future. WSC, which is owned by Biglari Holdings, offers franchises for Western Sizzlin Steak & More Restaurants, Quincy's Family Steakhouse and Western Sizzlin Wood Grill Buffet Restaurants. These restaurants may be operated within your Protected Area or Development Area by either franchisees or WSC. They do not offer the same type of products and they use different trademarks than those used in the operation of Steak n Shake By Biglari Restaurants; however, they may compete for the same customers. We currently have no formal process for resolving conflicts between franchisees of Steak n Shake By Biglari Restaurants and the franchisees of our affiliates operating restaurants under different trademarks since there have been no conflicts in the past. Any conflicts would be resolved on a case-by-case basis after review of the applicable franchise agreement terms by both our senior management and senior management of WSC.

Franchised and company-owned Western Sizzlin Steak & More Restaurants, Western Sizzlin Wood Grill Buffet Restaurants, Great American Buffet Restaurants, and Quincy's Family Steakhouse Restaurants are currently located in the following states: Alabama – 4; Arkansas – 5; Georgia – 3; Maryland – 1; Mississippi – 1; North Carolina – 6; Ohio – 1; Oklahoma – 1; South Carolina – 1; Tennessee – 3;; Virginia – 4 and West Virginia – 1.

Reservation of Rights:
We reserve and retain the right, on behalf of ourselves or through our affiliates, in our discretion, and without granting any rights or compensation to you, to: (i) solicit prospective franchisees and grant franchises or other rights to operate Restaurants through national or regional advertising, trade shows or conventions or through e-commerce or any other means; (ii) grant franchises for Restaurants and to own and operate Restaurants ourselves or through affiliates at locations outside of your Protected Territory; (iii) grant franchises for Steak n Shake By Biglari Restaurants and to own and operate such Restaurants ourselves or through affiliates in Captive Facilities within your Protected Area or Development Area; (iv) sell, solicit, recruit and provide services for any restaurant or business other than a Steak n Shake By Biglari Restaurant; (v) offer, sell and provide any products and services under the Marks or other trade names, trademarks, service marks and commercial symbols through alternative channels of distribution; and (vi) solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere.

ITEM 13

TRADEMARKS

Registrations, Litigation and Infringing Uses
Our affiliate, Steak n Shake, LLC, owns, individually or jointly, the Marks used in connection with the franchise business and will license or sublicense those Marks directly to you. Except as may be otherwise indicated below, the following principal Marks are registered with the United States Patent and Trademark Office (USPTO):

Trademark	Serial Number	Reg. Number	Reg. Date
3-D GRILLED CHEESE STEAKBURGER	85490874	4335795	5/14/2013
4 MEALS UNDER $4	77718749	3759549	3/9/2010
BANOCOLATE	78445412	2992304	9/6/2005
BREAKFAST SHOOTERS	85902855	4436462	11/19/2013
CALIFORNIA DOUBLE STEAKBURGER	85347660	4094821	1/31/2012
DELICIOUSLY INDULGENT	85904362	4432550	11/12/2013
FAMOUS FOR STEAKBURGERS	75594351	2370185	7/25/2000
FAMOUS FOR STEAKBURGERS	73299351	1272197	3/27/1984
FAXASAK	74542241	1911807	8/18/1995
GENUINE CHILI	85904411	4535967	5/27/2014
GOLDIE	85071154	4123849	4/10/2012
HOME OF THE ORIGINAL STEAKBURGER	86760033	5071293	11/1/2016
HUNGER WISELY	85938577	4544973	6/3/2014
IN SIGHT IT MUST BE RIGHT	75594510	2272454	8/24/1999
IN SIGHT IT MUST BE RIGHT	72407859	948362	12/5/1972
JUST NO EQUAL	85304867	4158938	6/12/2012
MISCELLANEOUS DESIGN (STOREFRONT)	75460333	2294116	11/23/1999
MISCELLANEOUS DESIGN (STEAKBURGER PHONE)	85480303	4280921	1/22/2013
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	75594502	2270887	8/17/1999
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	75369325	2222496	2/9/1999
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	71567054	581433	10/27/1953
ORIGINAL DOUBLE STEAKBURGER	77162163	3589618	3/17/2009
ORIGINAL STEAKBURGERS	76011592	2435279	3/13/2001
ROYALE STEAKBURGER	85157126	3981161	6/21/2011
SHAKER	85071152	4136094	5/1/2012
SIDE-BY-SIDE	78399426	3172089	11/14/2006
SIGNATURE STEAKBURGER	85490877	4196165	8/21/2012
SIGNATURE STEAK FRANKS	85902986	4492763	3/4/2014
SIZZLE	85071144	4123848	4/10/2012
SPECIALTY SHOOTERS	85902890	4439875	11/26/2013
STEAK FRANKS	85904378	4408869	9/24/2013
STEAK N SHAKE	85151831	4069566	12/13/2011
STEAK N SHAKE	75593104	2270886	8/17/1999

Trademark	Serial Number	Reg. Number	Reg. Date
STEAK N SHAKE	72267994	843430	1/30/1968
STEAK N SHAKE	72267995	837229	10/17/1967
STEAK N SHAKE BY BIGLARI	85943274	4553092	6/17/2014
STEAK N SHAKE FAMOUS FOR STEAKBURGERS	85894441	4450564	12/17/2013
STEAK N SHAKE FAMOUS FOR STEAKBURGERS	75594318	2302158	12/21/1999
STEAK 'N SHAKE FAMOUS FOR STEAKBURGERS	75337193	2233542	3/23/1999
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	71694750	680071	6/9/1959
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	73040869	1045867	8/10/1976
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	71694749	0649868	8/6/1957
STEAK N SHAKE IT'S A MEAL	75521749	2259584	7/9/1999
STEAK N SHAKE SIGNATURE	85234686	4136596	5/1/2012
STEAKBURGER PHONE	85480182	4243791	11/13/2012
STEAKBURGER SHOOTERS	77671406	3854484	9/28/2010
STEAKBURGER SLINGER	85902862	4436463	11/19/2013
STRAWNILLA	78445415	2989676	8/30/2005
TAKHOMACARD	78319790	2951481	5/17/2005
TAKHOMASAK	75521721	2259583	7/6/1999
THE ORGANIC SIGNATURE STEAKBURGER	85904240	4503399	3/25/2014
THE ORIGINAL DOUBLE 'N CHEESE	85178247	4017371	8/23/2011
THE ORIGINAL STEAKBURGER	76152863	2586843	6/25/2002
THE ORIGINAL STEAKBURGER	77128758	3589597	3/17/2009
THE ORIGINAL STEAKBURGER	85578209	4253180	12/4/2012
THE ORIGINAL STEAKBURGER SHOOTER	86292494	5105420	12/20/2016
UP ALL NIGHT	85902996	4432546	11/12/2013
VANOCOLATE	85178202	3970768	5/31/2011

All necessary affidavits of use and renewal applications have been filed for the federally registered Marks. All Marks have been registered on the Principal Register, except as otherwise noted. There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any Court, or pending infringement, opposition or cancellation proceeding or pending material litigation, involving the above-described Marks of which we are aware. Except as otherwise described below, there are no agreements currently in effect that significantly limit the Licensor's right to use or license or sublicense the use of the above-described Marks. Furthermore,

we are not aware of any superior prior rights or infringing uses which could materially affect use of the above-described Marks.

Rights, Obligations and Limitations

The Licensor owns the Marks described in this Item.[1] The Licensor will license or sublicense the Marks to you pursuant to the License Agreement. Your right to use the Marks is derived solely from the License Agreement. Any goodwill established by your use of the Marks will inure to the exclusive benefit of the Licensor and the System as well as, in the case of the STEAK N SHAKE BY BIGLARI trademark, Biglari Holdings Inc.

You must use the Marks as the sole identification of the Restaurant. You may not use any of the Marks as part of your corporate or trade name. You may not use any of the Marks in connection with the sale of any unauthorized product or service. You must display the Marks prominently and in the manner prescribed by us or the Licensor in connection with exterior and interior signs, menus, in-store posters and displays and other forms and packaging materials designed by us.

You must notify us and the Licensor immediately of any apparent infringement of or challenge to your use of any of the Marks or claim by any person of any right in any of the Marks. The Licensor has sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any of the Marks.

If it becomes necessary or advisable at any time, in our discretion or the Licensor's discretion, for us or the Licensor to change or discontinue use of any of the Marks or use one or more additional Marks, you must comply at your expense with any proposed change within a reasonable time after notice by us or the Licensor.

The Licensor has been granted the right by Biglari Holdings Inc. to use and sublicense the trademark Steak n Shake By Biglari in connection with the operation and franchising to qualified franchisees of Steak n Shake By Biglari Restaurants.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We (or our affiliate) do not grant licenses to you to use any patents. We do not currently have any federally registered copyrights. Any future patents or federally registered copyrights would be owned by, and licensed to you by, the Licensor only if such non-exclusive licensing rights become advisable in our discretion or the Licensor's discretion. Although they are not federally registered, we have copyright protection for our Manual, Designated Menus and promotional and advertising materials. Pursuant to the Franchise Agreement, we will loan to you one copy of the copyrighted Manual, subject to your obligation to keep it confidential and to destroy it or return it to us at the end of your franchise term. We will provide you with access to the Manual for the duration of the Franchise Agreement (or, at our option, we may make the Manual available to you electronically). You must not alter, copy, duplicate, record or otherwise reproduce the Manual (or any other materials in which we or our

[1] All Marks are owned by the Licensor with the exception of "Steak n Shake By Biglari", which is owned by Biglari Holdings Inc. Biglari Holdings Inc. grants Licensor the right to use and sublicense the trademark Steak n Shake By Biglari in connection with the operation and franchising to qualified franchisees of Steak n Shake By Biglari Restaurants.

affiliates own the copyright), or make it available to any unauthorized person. The Manual is our sole property and must at all times be kept in a secure place. We may revise the contents of the Manual, and you must comply with each new or changed standard.

We also own certain confidential information relating to us and/or the Steak n Shake By Biglari System that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual, and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in (a) the design and operation of a Steak n Shake By Biglari Restaurant and (b) the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems, experience, and business intelligence with respect to the consumer, business, or financial success, attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by the Company); (vi) guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants ("Financial Information"); (vii) supplier relationships and distribution system information; and (viii) passwords to access our online Manual (collectively, the "Confidential Information").

You may obtain access to Confidential Information in training and during the term of the Franchise Agreement and/or ADA. You will not acquire any interest in Confidential Information other than the right to use Confidential Information disclosed to you solely for operating the Restaurant during the term of the Franchise Agreement or ADA, and you must comply with restrictions on your use of the Confidential Information. You, your owners and employees will be required at all times during the term of the Franchise Agreement and/or ADA to act with the utmost caution to protect Confidential Information, which is critical to promoting the interest of the System and the Marks. As a condition to our grant of the franchise, you and your owners must agree that any failure (whether intentional or accidental) to comply with all obligations respecting Confidential Information as set forth in the Franchise Agreement and ADA shall constitute a material event of default and we may immediately terminate your Franchise Agreement and/or ADA without any notice or opportunity to cure.

Each of your Principal Owners will be required to execute the form of Personal Covenant attached to the Franchise Agreement as Appendix B-1, and Owners holding an interest of ten percent (10%) or less, managers and employees with access to confidential information must execute the Confidentiality and Waiver Agreement attached to the Franchise Agreement as Appendix B-2. The Franchise Agreement also contains restrictions on the disclosure of Confidential Information to third parties. You may only share Confidential Information to third parties as required by law or court order after providing us notice and to your landlord, lenders, attorneys, accountants, insurers or financial advisors provided that such parties agree in writing to maintain the confidentiality of such information.

To protect Confidential Information and the reputation and goodwill of the Steak n Shake By Biglari System, we require that you obtain our written consent in all instances prior to posting, contributing, or authoring any content on any website or social media or communicating with any media outlet or organization in a manner that: (i) makes any statement which disparages, ridicules or is derogatory of any Steak n Shake By Biglari franchisee, us, our affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, the Steak n Shake By Biglari System, the Steak n Shake By Biglari brand or Marks; (ii) pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or (iii) pertains to any litigation pending or threatened against us, our affiliates, or a Steak n Shake By Biglari franchisee or any of their owners, officers, employees, agents, consultants, attorneys or representatives. Your failure to abide by these restrictions is considered a

material event of default under the Franchise Agreement and/or the ADA and we may immediately terminate the Franchise Agreement and/or the ADA without any notice to you or opportunity to cure.

You must notify us immediately of any apparent infringement of any copyright or claim by any person of any rights in any copyright. We (or our affiliate, in the case of federally registered copyrights) have sole discretion to take such action as we (or our affiliate) deem appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office or Copyright Office proceeding or other administrative proceeding arising out of any infringement or claim relating to any copyright.

There are no agreements currently in effect that significantly limit our or the Licensor's right to use or license the use of our or the Licensor's copyrighted materials in any manner material to the franchise.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Restaurant must at all times be under the direct, on premises supervision of managers who have successfully completed the training program described in Item 11. You must at all times keep us informed of the identity of all managers employed at your restaurant. Owners who are actively engaged in managing the day-to-day activities of the Restaurant must complete our Management Development Program described in Item 11. You and each owner who will participate in our training program must agree to waive any claims against us arising from participation in our training program, excluding our gross negligence or willful misconduct. (See Appendix B-1 of the Franchise Agreement).

When you sign the Franchise Agreement, you must designate an Owner to serve as your "Managing Owner". If you are an individual, you will be the Managing Owner. If your Managing Owner does not intend to devote full time and best efforts to the daily on-site operation of the Restaurant, you must designate a General Manager, who will refrain from operational or management commitments in other businesses which would in any way affect his or her full-time management duties at the Restaurant. The General Manager and the Restaurant Manager shall meet the following criteria, as we determine:

(i) must have a track record of successfully owning or managing restaurants similar to Steak n Shake By Biglari Restaurants;

(ii) must possess good moral character, and have the aptitude and ability to conduct the business;

(iii) must be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement;

(iv) must devote his or her full time and best efforts to the satsifaction of your obligations under this Franchise Agreement and the daily operations of the Restaurant; and

(v) must live within the general area of the Restaurant.

Any General Manager you hire must satisfy all of the foregoing requirements and successfully complete our then-current management training program.

If you enter into the Franchise Agreement through a business entity rather than as an individual, each Principal Owner must execute a written agreement with us, personally guaranteeing the full payment and performance of your obligations to us and individually undertaking to be bound, jointly and severally, by all terms of the Franchise Agreement, including non-compete provisions. The form of Personal Guaranty and Personal Covenants are attached to the Franchise Agreement as Appendix B-1.

For an ADA, we require your Principal Owners to sign the Personal Covenants attached thereto as Appendix B.

The Franchise Agreement and ADA contain both in-term and post termination non-compete provisions which restrict your ownership in any Competing Business, which is defined as any restaurant business that either (i) derives twenty-five (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, that this restriction shall not apply to, (i) other Steak n Shake By Biglari Restaurants operated under Franchise Agreements previously or hereinafter entered into with us as long as such agreements remain in full force and effect or (ii) ownership of securities, that are publicly traded, representing five percent (5%) or less of the equity or voting power of any corporation.

During the term of your Franchise Agreement or ADA, neither you nor any Principal Owner shall own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business. For a period of two (2) years commencing on the effective date of any assignment, termination, expiration or non-renewal of the Franchise Agreement, you shall not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Restaurant you previously operated or any then-existing Steak n Shake By Biglari Restaurant. For a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to be a Principal Owner in Franchisee or the effective date of the transfer, expiration, non-renewal or termination of the Franchise Agreement, such Principal Owner shall not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Authorized Location or any then-existing Steak n Shake By Biglari Restaurant.

For a period of two (2) years following a transfer, or the expiration or termination of an ADA, you shall not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located within the Development Area. Additionally, for a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to be a Principal Owner in Franchisee or the effective date of the transfer, expiration, non-renewal or termination of an ADA, such Principal Owner shall not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located within the Development Area (including a Captive Facility).

The Franchise Agreement and ADA require you and your employees to maintain the confidentiality of all Confidential Information at all times during and after the term of the Franchise Agreement or ADA; not to make unauthorized copies of any portion of the Confidential Information; not to use the Confidential Information in any other business or capacity; and to implement reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information. All owners in the franchise and managerial employees must agree to abide by the restrictions on Confidential Information (See Appendix B-1 and Appendix B-2 of the Franchise Agreement and Appendix B of the ADA).

Prior to your managers beginning training in our Restaurant, we require your managers to sign a Confidentiality and Waiver Agreement (see Appendix B-2 of the Franchise Agreement) waiving any claims against us arising from participation in our training program, excluding our gross negligence or willful misconduct.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

Your Restaurant must offer all of (and only) the food, beverages and other products and services that we, in our sole discretion, determine to be appropriate for Steak n Shake By Biglari Restaurants. Our approval is required for any vending machines located in the Restaurant and for any music played in the Restaurant (including the playlist). We may require you to install certain vending machines provided by third parties or us which determination will be made in our sole discretion as part of any system-wide requirement set forth in the Manual. We may require you to sell certain retail items, including but not limited to trademarked packaged food items and apparel which determination will be made in our sole discretion as part of any system-wide requirement set forth in the Manual. In addition to restricting what items you may sell, we may (subject to applicable law) also mandate or place restrictions on the prices at which you may offer or sell them and restrict the manner in which you market them.

You may use only those materials, ingredients and supplies which conform to our specifications and quality standards. You must comply with all mandatory standards and operating procedures relating to quality, taste, portion control and uniformity, weight and dimensions and manner of preparation and sale of all food and beverage products. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. Unless prohibited by applicable law, we reserve the right to establish maximum and minimum prices that you may charge for all products and services offered by your Restaurant and you must comply with our directive. We do not impose any restrictions or conditions that limit your access to customers except (i) you may not engage in channels of distribution other than the operation of a Steak n Shake By Biglari Restaurant; and (ii) you may not use advertising or other methods for solicitation that are directed into Protected Areas granted to other franchisees, unless the advertising is for the purpose of general brand awareness and does not attempt to solicit customers for a specific location.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT

This table lists certain important provisions of the franchise agreement, license agreement area development agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
a. Length of the franchise term	2	10 years, subject to 2 options of 5 years each to renew at no additional charge.
b. Renewal or extension of the term	2	If you are in good standing and fulfill our requirements for renewal: (a) you can renew for the standard franchise term then offered by executing our then-current form of Franchise Agreement for a quick-service Restaurant, or (b) you will be provided a standard franchise term in addition to the 2 options of 5 years each by executing our then-current

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
		form of Franchise Agreement.
c. Requirements for franchisee to renew or extend	2	You must give us notice not less than 6 months, nor more than 12 months, prior to the end of the then-current term, maintain possession of the Restaurant premises or find an acceptable substitute premises, sign our then-current form of agreement, remodel and retrain, if required, and pay a renewal fee of 50% of the then-existing Initial Franchise Fee. You may not be in material default of any provision of the Agreement, or other agreements with us (including failure to pay required fees to us or our affiliates); you may not, at such time, operate any Steak n Shake By Biglari restaurant which has failed to meet Franchisor's minimum quality, service and/or cleanliness ("QSC") standards applicable to such restaurant; you must be current on all payments owed to us; and you must execute an agreement releasing us from any claims, known or unknown (except as prohibited by applicable state law). Additionally, there may not be, at such time, pending or threatened litigation between us (or any of our parents or subsidiaries). 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.
d. Termination by franchisee	11.1(C)	If we breach the Franchise Agreement and fail to cure the breach, you may terminate the Franchise Agreement.
e. Termination by Franchisor without cause	None	Not Applicable
f. Termination by Franchisor with cause	1.5, 3.1, 5.6, 6.4, 10.5, 11.1,	We may terminate the Franchise Agreement following an event of default. See also (g) and (h).
g. "Cause" defined - curable defaults	11.1(B)	• You fail to operate the Restaurant in compliance with the standards we prescribe; • You fail to maintain the Restaurant in good condition and repair, or fail to make all improvements, alterations or remodeling as required by the Franchise Agreement; • You fail to conduct the Restaurant business in compliance with all laws and regulations; • You fail to repair, restore or relocate the Restaurant building after damage, destruction or public taking; • You fail to complete all phases of any required training program to our satisfaction; • You fail to identify the exact location of the Restaurant for our review and approval within 70 days of execution of the Franchise Agreement; • You fail to submit site plans for the Restaurant within 45 days after we accept your proposed location; • You fail to submit engineered building plans for the Restaurant within 90 days after we accept your proposed location; • If your employees (without you or your Principals' Owner's knowledge or consent) violate the restrictions on Confidential Information or post, contribute, or author any content on any website or social media or

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
		communicate with any media outlet or organization in a manner that disparages, ridicules or is derogatory of the System, the Steak n Shake By Biglari brand or Marks, us, our affiliates, any franchisee, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or such communication pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant or any litigation pending or threatened against a Steak n Shake By Biglari franchisee, us, our affiliates or any of their owners, officers, employees, agents, consultants, attorneys or representatives, and you fail to cure such breach within thirty (30) days; provided, however, we shall have no obligation to provide more than two (2) notices and cure periods for any of the foregoing. • If you fail to submit financial information to Bookkeeping Services provider or utilize the services of the required Bookkeeping Services provider. • You fail to contract for broadband network connectivity of a minimum of 25/10Mbs although 50/20Mbs is recommended to the extent it is available at the Restaurant.
h. "Cause" defined – non-curable defaults		• You fail to use the Designated Menus, alter a Designated Menu in any respect without our prior written consent, fail to comply with any pricing restrictions we impose, or fail to participate in any required marketing programs or promotions; • You knowingly offer or sell any product other than those designated by us or which fail to conform to our specifications or standards, or which were acquired from a non-approved supplier or not prepared in accordance with the methods prescribed by us, or fail to offer or sell required products designated by us; • You or any of your Principal Owners are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name Steak n Shake By Biglari or any of the Marks or System; • We do not consent to any site submitted by you within 135 days of signing the Franchise Agreement. • If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant or from the material violation of any health and safety laws, rules, or regulations which poses a significant public health and safety concern, or if the Restaurant is closed as a result of a failed inspection by the health department and in such event we determine, in our sole discretion, that critical violations of applicable health codes are the result of repeated or material failure by the you to comply with the requirements of the Franchise Agreement or the health department; • Your action or inaction, at any time, results in the loss of the right to possession of the Restaurant, or forfeiture of the right to do or transact business in the jurisdiction where the Restaurant is located; • You at any time cease to operate or otherwise abandon the Restaurant for a period of 3 consecutive days or fail to operate the Restaurant during required business hours, unless such closure or limited hours are approved in writing by us or required for remodeling in order to comply with the Franchise Agreement; • You fail to make timely payments or are repeatedly past due in the payment of undisputed invoices from approved suppliers of products

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
		required for sale in the Restaurant, and such failure to pay results in your inability to procure products which you are required to sell in the Restaurant. • You or your Principal Owners acquire any interest in a Competing Business; • You or your Principal Owners fail to comply with the in-term non-competition covenants or fail to obtain execution of the Personal Covenants required from your Owners; • You or any of your Principal Owners violate any "Anti-Terrorism Laws"; • You fail to maintain the required insurance within two (2) business days of receiving written notice. • You repeatedly breach the Franchise Agreement; • You fail to operate and maintain the Computer Systems and/or Required Software in accordance with our requirements; • You fail to continuously employ a General Manager; • You or your Principal Owners or your employees or authorized recipients with you or your Owner's consent) make an unauthorized disclosure of Confidential Information or public statement which is prohibited under your Franchise Agreement. • You or any of your Owners utilize, duplicate or disclose any portion of the Manual in violation of the Franchise Agreement or make any unauthorized use of the Marks, including the use and/or distribution of any menus which have not been prepared or approved in advance by us or any intentional alteration of marketing materials without our prior consent. • You deny us the right to inspect the Restaurant or to examine its books and records and other business documents as required by the Franchise Agreement. • You submit a franchise application, a management commitment form and/or capitalization plan which contains any false or misleading statements or omits any material fact necessary in order to make the statements made not misleading. • You submit to us reports, financial statements, tax returns or schedules or other information or supporting records which intentionally understate Gross Receipts for any period by more than two percent (2%). • You fail to timely pay us or our affiliates or the Licensor any amounts due under any agreement between us. • You fail on 2 or more separate occasions within a 12 month period to submit when due financial statements, reports or other data, information or supporting records required by the Franchise Agreement. • You make an unauthorized assignment. • Your license agreement is terminated. • You fail to use and/or display required marketing materials.
i. Franchisee's obligations on termination/non-renewal	11.2	Your right to use the Marks immediately terminates and you may no longer identify yourself as a Steak n Shake By Biglari franchisee. You must remove of all of our Marks, and if you fail to do so, we may remove and you are responsible for such costs; you must pay all amounts due to us, including the Lost Revenue Damages. (Also see (r) below for restrictions on your operation of a Competing Business).

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
j. Assignment of contract by Franchisor	13	There are no restrictions on our right to assign.
k. "Transfer" by franchisee-defined	13.2	Any voluntary, involuntary, direct or indirect assignment, sale, subdivision, subfranchise, or other transfer by you (including without limitation by consolidation or merger) of: (i) the franchise; (ii) the Restaurant (or any interest therein); (iii) an ownership interest resulting in an addition or loss of a Principal Owner or Managing Owner or a change in your controlling interest.
l. Franchisor approval of transfer by franchisee	13	Any transfer by you requires our approval, which we cannot withhold unreasonably provided the transfer meets certain conditions.
m. Conditions for Franchisor's approval of transfer	13	New franchisee qualifies under our standards for current franchisees, transfer fee is paid, any defaults cured, terms of purchase agreement approved, new franchisee completes our then-current required training and any required remodeling and/or improvements to the Restaurant premises to comply with then-current standards, release signed by you (see Exhibit E for sample release) and current form of Franchise Agreement signed by new franchisee, which may contain terms different from your agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	13	We have the right to match any offer for your business you receive from a third party.
o. Franchisor's option to purchase franchisee's business	11 and 13	Upon termination of your franchise agreement, we have the right to purchase, any patented, special, distinctive or unique Steak n Shake By Biglari Restaurant equipment, furnishings, signs, sign faces and decor at fair market value. We have the right to purchase the business under certain conditions following your death or disability (see item p directly below).
p. Death or disability of franchisee	13	In the event of your death or disability if you are an individual or your Managing Owner if you are a legal entity, your representative must, within 6 months following such event, transfer your interest to a third party we approve. If the transferee is not a spouse or child or Principal Owner, we have a right of first refusal as to such transfer. Any transferee must meet our approval, and if we determine that the transferee is not acceptable, the Representative must sell the subject interest within six months of notice by us, subject to our approval and right of first refusal. If the sale is not closed within six months, we have the option to purchase the subject interest at the fair market value thereof as determined in good faith through negotiation or, upon written demand of either party, by three appraisers, with each of us selecting one appraiser and the two appraisers so chosen selecting the third appraiser.

FRANCHISE AGREEMENT		
Provision	**Section in Franchise Agreement**	**Summary**
q. Non-competition covenants during the term of the franchise	12.1	Neither you, your General Manager, nor your Principal Owners may be involved in a Competing Business during the franchise term. "Competing Business" means any restaurant business that either (i) derives 25% or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, this restriction shall not apply to, (i) other Steak n Shake By Biglari Restaurants operated under Franchise Agreements previously or hereafter entered into with us as long as such agreements remain in full force and effect or (ii) ownership of securities that are publicly traded, representing 5% or less of the equity or voting power of any such publicly traded business.
r. Non-competition covenants after the franchise is terminated or expires	12.2	Neither you, your Principal Owners nor your Approved Operator may be involved in a Competing Business at or within five miles of the former Restaurant location or any then-existing Steak n Shake By Biglari Restaurant for at least two years after the franchise terminates or expires.
s. Modification of the agreement	1, 3.3, 3.4, 3.6, 4.1, 4.3, 5.1, 10.4, 17.2	If you default and we elect not to terminate your Franchise Agreement, we may unilaterally elect to terminate your Protected Area for the remainder of the Term. Additionally, the following may be modified by us without your approval: the Manual, payments relating to audits, our training program, approved suppliers or vendors, minimum insurance requirements, quality control programs/vendors, the Restaurant interior or exterior and/or equipment, required computer hardware and software, our minimum and maximum menu prices, our menu items, our required promotions.
t. Integration/ merger clause	16.9	Only the Franchise Agreement and the related agreements are binding (subject to state law). Any statements or promises not in the Franchise Agreement or this disclosure should not be relied upon and may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made to you in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	15	Subject to state law, we reserve the right to institute a system of non-binding mediation, which we may require be conducted in Indianapolis, IN.
v. Choice of forum	15	Subject to state law, litigation may only be commenced by either party in Indiana. Subject to state law, jurisdiction is designated in Indiana.
w. Choice of law	15	Subject to state law, Indiana law applies.

LICENSE AGREEMENT		
Provision	**Section in License Agreement**	**Summary**
a. Length of the franchise term	1.1, 2.1	License Term is concurrent with the Franchise Term.
b. Renewal or extension of the term	2.1	If we renew your Franchise Agreement, we will renew your License Agreement for concurrent term.

LICENSE AGREEMENT		
Provision	**Section in License Agreement**	**Summary**
c. Requirements for licensee to renew or extend	2.1	Renewal of the License Agreement shall be subject to your meeting the requirements for renewal pursuant to your Franchise Agreement and upon renewal of your Franchise Agreement you will be required to execute our then-existing form of License Agreement.
d. Termination by licensee	2.3	You may terminate the License Agreement only if you concurrently terminate the Franchise Agreement pursuant to the terms set forth therein.
e. Termination by licensor without cause	None	Not Applicable.
f. Termination by licensor with cause	2.2	We can terminate only if you breach the License Agreement, or breach the Franchise Agreement. Also see (g) and (h).
g. "Cause" defined - curable defaults	2.2	We may terminate the License Agreement for cause if you materially default under the terms of the License Agreement and fail to cure such defaults within 30 days after written notice from us; or if you fail to timely pay us amounts due under the License Agreement, including the License Fee after we give you 10 days prior written notice demanding payment; provided, however, you are only entitled to 2 such notices in any 12 month period.
h. "Cause" defined – non-curable defaults	2.2	If we terminate your Franchise Agreement following your default, we may concurrently terminate your License Agreement without any opportunity for you to cure.
i. Licensee's obligations on termination/non-renewal	2.4	You must promptly pay us any and all sums owed, including damages, costs and expenses, and reasonable attorneys' fees. Following termination, you may not thereafter use Marks (as defined therein).
j. Assignment of contract by licensor	3.1	There are no restrictions on our right to assign.
k. "Transfer" by licensee-defined	3.2	Transfer by licensee is not permitted unless it is done in connection with an assignment of the Franchise Agreement in accordance with the terms thereof.
l. Franchisor approval of transfer by licensee	3.2	Transfer by licensee is not permitted unless it is done in connection with an assignment of the Franchise Agreement in accordance with the terms thereof.
m. Conditions for licensor's approval of transfer	3.2	Transfer by licensee is not permitted unless it is done in connection with an assignment of the Franchise Agreement in accordance with the terms thereof.
n. Licensor's right of first refusal to acquire licensee's business	None	Not Applicable
o. Licensor's option to purchase licensee's business	None	Not Applicable
p. Death or disability of franchisee	None	Not Applicable

LICENSE AGREEMENT		
Provision	**Section in License Agreement**	**Summary**
q. Non-competition covenants during the term of the franchise	None	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	None	Not Applicable
s. Modification of the agreement	1.7, 4.3	Licensor reserves the right to substitute different Marks for use in identifying the System and the Restaurant business without your approval, if Licensor's Marks no longer can be used, or if Licensor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. In such event, you are responsible for all expenses related to the substitution of different Marks and shall complete such substitution in accordance with the deadlines reasonably established by Licensor. Otherwise, the Agreement may only be modified by written agreement of both parties.
t. Integration/ merger clause	4.2	Only the License and Franchise Agreements and the related agreements are binding (subject to state law). Any statements or promises not in the License and Franchise Agreements or this disclosure should not be relied upon and may not be enforceable. Nothing in the License Agreement or in any related agreement is intended to disclaim the representations we made to you in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	4.5	Subject to state law, we reserve the right to institute a system of non-binding mediation, which we may require be conducted in Indianapolis, IN.
v. Choice of forum	4.5	Subject to state law, we can commence litigation in Indiana. Subject to state law, Jurisdiction is designated in Indiana.
w. Choice of law	4.6	Subject to state law, Indiana law applies.

AREA DEVELOPMENT AGREEMENT		
Provision	**Section in ADA**	**Summary**
a. Length of the term of the franchise	II	The term of an ADA generally lasts between three to five years. ADA continues for the stated term so long as you follow the Development Schedule, develop the minimum number of units and otherwise comply with the terms of the ADA.
b. Renewal or extension of the term	II	We will engage in good faith negotiations for a renewal or extension of the ADA.
c. Requirements for developer to renew or extend	II	Subject to good faith negotiations between you and us, you must also be in compliance with all terms of the existing ADA, any existing Franchise Agreements with us and any other agreements with us.
d. Termination	IV	You can terminate the ADA at any time; however, your deposit will be

AREA DEVELOPMENT AGREEMENT		
Provision	**Section in ADA**	**Summary**
by developer		forfeited and your Development Area rights will cease as to Restaurants not opened.
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	VII	We may terminate the ADA if you commit an event of default. See (h).
g. "Cause" defined - curable defaults	VII	If your employees or authorized recipients fail to comply with our restrictions on Confidential Information or public statements and (without your knowledge or consent) you must use your best efforts to promptly cure such breach in a reasonable period of time based on the circumstances (to the extent the breach is susceptible of being cured); provided, however, we shall have no obligation to provide more than two (2) notices and cure periods for any such breaches during any twelve (12) month period.
h. "Cause" defined - non-curable defaults	VII	• You or your Principal Owners (or your employees or authorized recipients with you or your owner's consent) make an unauthorized disclosure of Confidential Information. • If you or your Principal Owners post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that disparages, ridicules or is derogatory of the System, the Steak n Shake By Biglari brand or Marks, us, our affiliates, any franchisee, or any of their owners, officers, employees, agents, consultants, attorneys or representatives; pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or pertains to any litigation pending or threatened against a Steak n Shake By Biglari Franchisee, us, our affiliates or any of their owners, officers, employees, agents, consultants, attorneys or representatives. • You fail to meet the Development Schedule; • You use our Marks, except pursuant to and in accordance with the terms and conditions of a valid and effective Unit Franchise Agreement; • You begin work upon any Steak n Shake By Biglari Restaurant prior to our consent to the site and execution of a Franchise Agreement; • You assign your interest in this Agreement without our consent; • You file for bankruptcy; • You or one of your Principal Owners is convicted of (regardless of any pending appeal) or pleads no contest to a felony or any other crime that is reasonably likely to adversely affect the System, the Restaurant or the goodwill associated with the Marks. • You are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name Steak n Shake By Biglari or any of the Marks or System;
i. Developer obligations on termination/non-renewal	IX	You will not develop additional Restaurants and neither you nor your Principal Owners may have any interest in a Competing Business located within the Development Area for a period of 2 years following termination, expiration or non-renewal of the Development Agreement.

AREA DEVELOPMENT AGREEMENT		
Provision	**Section in ADA**	**Summary**
j. Assignment of contract by franchisor	IV	No restriction on our right to assign.
k. "Transfer" by developer – defined	VI	Includes any sale of the Franchise or the rights granted pursuant to the ADA; sale of any Restaurant developed and/or operated pursuant to the ADA (or any right to receive all or a portion of such Restaurant's profits or losses); change in ownership interest resulting in an addition or loss of a Principal Owner or a change in the Managing Owner; sale of substantially all of the assets of the Restaurant developed and/or operated pursuant to the ADA.
l. Franchisor approval of transfer by franchisee	VI	The ADA may only be transferred with our prior approval, except for an assignment to an entity wholly owned or controlled by you provided such assignee shall have assumed all of your obligations in writing.
m. Conditions for franchisor approval of transfer	VI	Approval is in our sole discretion.
n. Franchisor's right of first refusal to acquire your business	VI	Within 30 calendar days after notice, we have the option to purchase the transferred interest on the same terms and conditions.
o. Franchisor's option to purchase franchisee's business	None	Not applicable
p. Death or disability of developer	VI	Governed by general requirement that no transfer may occur without our approval, in our sole discretion.
q. Non-competition covenants during the term of the franchise	IX	Neither you, your Principal Owners or Approved Operator may have an interest in a Competing Business during the term of the ADA.
r. Non-competition covenants after the franchise is terminated or expires	IX	The ADA restricts you and your Principal Owners from operating a Competing Business within the Development Area for at least two years after the ADA is transferred, terminates or expires.
s. Modification of the agreement	III, VII and VIII	If you default under the terms of the ADA, we may modify, reduce, and/or accelerate the Development Schedule, or terminate, modify, and/or reduce the Development Area, and if we elect not to terminate the ADA and you execute a Franchise Agreement following such default, we may require such agreement to reflect any higher fees then in effect pursuant to our then-current Franchise Agreement. Otherwise, no modifications unless in writing and signed by both you and us.
t. Integration /merger clause	VIII, IX	Only the ADA exhibits attached thereto and any Franchise Agreements executed under it are binding (subject to state law). Any other promises

AREA DEVELOPMENT AGREEMENT		
Provision	**Section in ADA**	**Summary**
		may not be enforceable. Nothing in the ADA or in any related agreement is intended to disclaim the representations we made to you in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	VIII	Subject to state law, We may require you to participate in non-binding mediation in Indianapolis, IN.
v. Choice of forum	VIII	Subject to state law, litigation must be in Indiana.
w. Choice of law	VIII	Subject to state law, Indiana law applies.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figures 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 this 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.

HISTORICAL FINANCIAL PERFORMANCE REPRESENTATIONS FOR TRADITIONAL RESTAURANTS

The historical financial performance representations in this section include unaudited results for the fiscal year ended December 31, 2025 for 59 Steak 'n Shake Restaurants operated by traditional franchisees (the "Traditional Franchise Restaurants") and 155 Steak 'n Shake Restaurants operated by Franchise Partners (the "Franchise Partner Restaurants", and together with the Traditional Franchise Restaurants, the "Total Franchise Restaurants"). Included in fiscal year 2025 is a 53rd week. For purposes of this Item 19: (i) the Traditional Franchise Restaurants have all been in continuous operation for at least 12 consecutive months as of December 31, 2025[1]; (ii) the Traditional Franchise Restaurants do not include any restaurants that operate in a university, convenient store, food court, or airport; and (iii) the Franchise Partner Restaurants have all been in continuous operation for at least 12 consecutive months and been in continuous operation as Franchise Partner Restaurants for at least 12 consecutive months as of December 31, 2025[2]. All Total Franchise Restaurants are substantially similar to the Steak 'n Shake Restaurants for which we are offering franchises in this Disclosure Document. All Total Franchise Restaurants sell the same products and reflect the same size, dimensions, and product and service offerings as the franchises offered in this Disclosure Document. However, as noted elsewhere in this Disclosure Document, while the Traditional Franchise Restaurants and the Franchise Partner Restaurants operate under the same Steak 'n Shake System, the economic terms of the two types of offerings differ.

Item A shows the average annual Net Sales across the Total Franchise Restaurants during fiscal year 2025. It also shows the median Net Sales during fiscal year 2025. Item B shows a "modified" Net Profit disclosure about Franchise Partner Restaurants by removing certain costs that are specific to Franchise Partner Restaurants and then including other costs specific to Traditional Franchise Restaurants.

[1] Of the 82 U.S. Traditional Franchise Restaurants as of December 31, 2025, Traditional Franchise Restaurants include both restaurants operated with a table service format and a self-service format. _23_Traditional Franchise Restaurants were excluded in this Item 19 as a result of either not operating for 12 consecutive months or being operated in a university, convenience store, food court or airport.

[2] Of the 179 Franchise Partner Restaurants as of December 31, 2025, 24 Franchise Partner Restaurants were excluded as a result of not being in continuous operation for at least 12 consecutive months or not being in continuous operation as Franchise Partner Restaurants for at least 12 consecutive months as of December 31, 2025.

A. FY25 Annual Net Sales

As used in this Item 19, the term "Net Sales" is the same as "Gross Receipts" upon which your continuing fees are based (that is, total sales, excluding sales tax, promotional and employee meal discounts). For the majority of the Traditional Franchise Restaurants and Franchise Partner Restaurants, the dine-in component of the business on which revenue is generated was either closed or severely restricted from the second quarter of 2020 through part of 2021.

	Total Franchise Restaurants	Traditional Franchise Restaurants	Franchise Partner Restaurants
Total	214	59	155
Average Net Sales[3]	$2,004,086	$1,779,293	$2,089,652
Median Net Sales	$1,895,351	$1,679,142	$2,012,542
High Net Sales	$6,137,256	$6,137,256	$3,798,910
Low Net Sales	$782,914	$782,914	$1,080,090

The sales figures provided above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. Franchisees or former franchisees listed in this disclosure document may be one source of this information.

B. Modified Performance Results of Franchise Partner Steak n' Shake Restaurants

Franchisees that operate Traditional Franchise Restaurants do not provide us with cost information relating to their operation of such Traditional Franchise Restaurants (e.g., costs of sales, labor cost, utilities, repairs, credit card fees, supplies, rent expense, interest, or other restaurant operating costs, etc.) ("Operating Costs"). We are provided with Operating Costs information from Franchise Partners relating to their operation of Franchise Partner Restaurants. Further, while all Traditional Franchise Restaurants and Franchise Partner Restaurants are operated under the same Steak 'n Shake System and all Total Franchise Restaurants are similar to the franchises offered in this Disclosure Document, the Franchise Partners pay, certain fees relating to the Franchise Partner Restaurants, that are not paid for by Traditional Franchise Restaurants (collectively, the "Excluded FP Costs")[4].

[3] "Net Sales" means all revenue from the sale of all products and services sold and all other income of every kind related to the Total Franchise Restaurants whether paid by cash, or credit (and regardless of collection in the case of credit), including gross sales from gift card sales, vending/amusement machine sales, packaged food sold for off-premises consumption, and general merchandise. Excluded from Net Sales are sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority, customer refunds, discounts and adjustments, the amount of refunds or allowances given to customers by the franchisee in good faith; any amounts from coupon or discount programs (including reasonable employee discounts) approved by us.

[4] The Excluded FP Costs are: (i) a license fee of up to 1% of Gross Receipts for the use of the Steak n Shake trademarks; (ii) a system fee of up to 15% of Gross Receipts; (iii) an additional system fee of 50% of the Net Profit; and (iv) a capital charge of 2% of Gross Receipts to fund capital improvements.

Similarly, franchisees that operate Traditional Franchise Restaurants pay certain fees relating to the Traditional Franchise Restaurants that are not paid for by Franchise Partner Restaurants (collectively, the "Included TF Costs"). The Included TF Costs are:

- A royalty and system fee and license fee of 5% of Gross Receipts.
- A digital and production fund fee of 1% of Gross Receipts.

The table below is intended to supplement information provided to prospective franchisees of Traditional Franchise Restaurants, by providing information about Operating Costs information (based on the Average Net Sales of the Franchise Partner Restaurants), and then removing items that are specific to Franchise Partner Restaurants (i.e., Excluded FP Costs) and adding in information about Traditional Franchise Restaurants (i.e., Included TF Costs). Accordingly, in the table below, we have provided a modified-Net Profit disclosure about Franchise Partner Restaurants with the following modifications: (i) removal of average Excluded FP Costs, which are specific to Franchise Partner Restaurants; and (ii) inclusion of the Included TF Costs, which are specific to Traditional Franchise Restaurants. The financial information provided in the table below is based on the unaudited results for the fiscal year ended December 31, 2025 for the 155 Franchise Partner Restaurants.

You should also conduct an independent investigation of the costs and expenses you will incur in operating your Steak n Shake By Biglari Restaurant.

Franchise Partner Comparable Units	**Quartile 1**	**% OF TOTAL NET SALES**	**Quartile 2**	**% OF TOTAL NET SALES**	**Quartile 3**	**% OF TOTAL NET SALES**	**Quartile 4**	**% OF TOTAL NET SALES**	**TOTAL**	**% OF TOTAL NET SALES**
Number of restaurants in range	39		39		39		38		155	
Net Sales[1]	2,830,815		2,193,803		1,855,181		1,462,735		2,089,652	
Cost of Sales (food and paper)[2]	850,059	30.0%	662,936	30.2%	561,612	30.3%	441,108	30.2%	630,140	30.2%
Total Labor Cost[3]	739,845	26.1%	558,619	25.5%	493,893	26.6%	386,627	26.4%	545,766	26.1%
Other Restaurant Operating Costs[4]	310,782	11.0%	279,512	12.7%	253,664	13.7%	240,651	16.5%	271,349	13.0%
Operating Contribution[5]	930,129	32.9%	692,736	31.6%	546,013	29.4%	394,349	27.0%	642,397	30.7%
Royalty and System Fee & License Fee[6]	141,541	5.0%	109,690	5.0%	92,759	5.0%	73,137	5.0%	104,483	5.0%
Digital and Production Fund Fee[7]	28,308	1.0%	21,938	1.0%	18,552	1.0%	14,627	1.0%	20,897	1.0%
Marketing related expenses[8]	129,156	4.6%	101,139	4.6%	93,142	5.0%	72,721	5.0%	99,209	4.7%
Total Other Expense	299,005	10.6%	232,767	10.6%	204,453	11.0%	160,485	11.0%	224,588	10.7%
Restaurant Profit before occupancy, depreciation, administrative expenses, interest, and taxes[9]	631,125	22.3%	459,969	21.0%	341,560	18.4%	233,864	16.0%	417,809	20.0%

1. Net Sales is defined as all revenue from the sale of all products and services sold and all other income of every kind related to the Franchise Partner Restaurants for the fiscal year ended December 31, 2025, whether paid by cash, or credit (and regardless of collection in the case of credit), including gross sales from gift card sales, vending/amusement machine sales, packaged food sold for off-premises consumption, and general merchandise. Excluded from Net Sales are sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority, customer refunds, discounts and adjustments, the amount of refunds or allowances given to customers by Franchisee in good faith; any amounts from coupon or discount programs (including reasonable employee discounts) approved by us.

2. Cost of Sales is defined as the actual cost of food products and paper products for the Franchise Partner Restaurants for the fiscal year ended December 31, 2025. Cost of Sales will vary depending on the vendor used for major ingredients such as beef, french fries and chili, local pricing of dairy products, produce, baked goods, and beverages, and the distance from sources of supply for all items. Cost of Sales will also vary depending on year-over-year inflation. Each Restaurant's ability to control waste contributes to variances in food and paper costs. For new franchisee's cost of sales percentages may initially exceed those of experienced operators. The Franchise Partner Restaurants' cost of sales data above reflects average aggregate cost. Different food and beverage items have different cost percentages.

3. Total Labor Costs is defined as the actual labor costs for the Franchise Partner Restaurants for the fiscal year ended . Your Total Labor Costs for the Traditional Franchise Restaurant will vary substantially depending on geographic location; competitive conditions in each market; applicable laws (including federal or local minimum wage requirements and whether tip credits apply); employee turnover and your operational abilities, including your ability to train and retain employees; your compensation that may be Included in labor, which varies based on the local labor market; your salary and benefits programs, and scheduling. Traditional Franchise Restaurants must be staffed in accordance with our standards. For new franchisees cost of labor percentages may initially exceed those of experienced operators. You should carefully research the labor costs applicable to your proposed location and how that will impact your performance. The labor costs reflected in the table are based on Franchise Partner Restaurant locations. Franchise partners operating Franchise Partner Restaurants are typically paid from bottom line profits (vs. labor P&L line) and therefore may have different labor expense when compared to company-operated stores.

4. Other Restaurant Operating Costs is defined as supplies, smallware, outside services, repairs, utilities, credit card fees, bank fees, equipment rental, management meals, store recruitment, cash/short, insurance, casualty losses, other miscellaneous store expenses, vending income, and grease rebates for the Franchise Partner Restaurants set forth in the above range for the fiscal year ended December 31, 2025. Supply costs, utility costs, sundry, outside services, repair costs, and other operating controllable expenses will vary depending on local pricing and utility rates, age of buildings and equipment, and the amount of preventive maintenance performed by the franchisee.

5. The unaudited data used to compute "Operating Contribution" was prepared internally by us and is materially in conformity with generally accepted accounting principles. The same accounting system was used for each Franchise Partner Restaurant. In arriving at "Operating Contribution" we removed all license fees, system fees, capital charges, and additional system fees under the Franchise Partner Disclosure Document.

6. Represents the Royalty and System Fee charged at 4% of Net Sales as required by the current form of the Traditional Franchise Agreement and the License Fee charged at 1% of Net Sales as required by the License Agreement. The Royalty and System Fee is presented on a pro forma basis in the table to reflect the fees we charge Traditional Franchise Restaurants and do not reflect actual expenditures of Franchise Partner Restaurants since Franchise Partner Restaurants do not pay these fees based on the same fee structure as traditional franchisees.

7. Represents the Digital and Production Fee of 1% of Net Sales as required by the Franchise Agreement. The Digital and Production Fund Fee is used by us, at our sole discretion, to maximize general public recognition of the System, which includes expenditures reasonably related to the creation, development, administration and supervision of marketing and advertising programs and menu development for all Restaurants (Traditional Franchise Restaurants, Franchise Partner Restaurants and company operated Restaurants).

8. Represents the Delivery Service Fee commission paid to Third-Party Aggregators and other marketing expenses. Steak 'n Shake considers commissions paid to third party delivery providers as Marketing expense. Net Sales is defined as total sales less promotional discounts and employee meal discounts and sales taxes. Marketing related expenses are presented on a pro forma basis in the table to reflect charges Franchisees could incur if they used Third-party delivery providers and pursued other marketing initiatives.

9. Rent/occupancy costs, financing costs, property taxes, insurance, depreciation of property and equipment, the initial Franchise Fee, Extension Fee, ADA Deposit and Territory Fee are excluded from the table. Rent/occupancy costs, financing costs and depreciation may vary greatly given the various options (ground lease, cash purchase of land, financing land and/or building/improvements, build-to-suit lease). Property taxes and insurance fluctuate widely by market and you should consult with an advisor in your area to research these expenses. Additionally, organizational expenses and general and administrative expenses not directly related to individual store operations have not been reflected in the Table and will vary depending upon the business structure of the franchisee. These excluded items will affect the net income and/or cash flow of any Steak n Shake By Biglari Restaurant and must be carefully considered.

* * *

Written substantiation for the material pertaining to this Item is available at our principal business address and will be provided upon reasonable request.

Some Steak ‘n Shake Restaurants have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Except as disclosed in this Item, we do not make any financial performance representations. 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 unit, however, we may provide you with the actual records of that unit. If you receive any other financial performance information or projections of your future income, you should report it to Christopher A. Evens, VP – Real Estate and Legal (317) 633-4100, the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1(a)[1] SYSTEMWIDE OUTLET SUMMARY FOR FY23, FY24 AND FY25				
Outlet Type	**Year**	**Outlets at Start of Year**	**Outlets at End of Year**	**Net Change**
Franchise Partner				
	FY23	175	181	+6
	FY24	181	173	-8
	FY25	173	179	+6

[1] This Table 1(a) presents information about Restaurants operated by Franchise Partners.

TABLE NO. 1(b)[1] SYSTEMWIDE OUTLET SUMMARY FOR FY23, FY24 AND FY25				
Outlet Type	**Year**	**Outlets at Start of Year**	**Outlets at End of Year**	**Net Change**
Company-operated[2]				
	FY23	173	144[3]	-29[4]
	FY24	144	140[5]	-4[6]
	FY25	140	126[7]	-14
Traditional Franchised				
	FY23	131	111	-20
	FY24	111	93	-18
	FY25	93	82	-11
Total Outlets				
	FY23	**479**	**436**	**-43**
	FY24	**436**	**406**	**-30**
	FY25	**406**	**387**	**-19**

[1] This Table 1(b) presents information about Restaurants operated by full-investment Franchisees (not Franchise Partners) and Restaurants operated by us or our affiliates.

[2] Subsequent to the end of FY18, we decided to temporarily close 101 company operated Restaurants, with an intention for these Restaurants to re-open under Franchise Partner ownership. As of December 25, 2019, 107 of the 365 company operated Restaurants were temporarily closed, with an intention for these Restaurants to re-open under Franchise Partner ownership or company operated self service Restaurants. As of December 30, 2020, 57 of the 272 company operated Restaurants were temporarily closed and we intend to re-open most of the 57 Restaurants.

[3] As of December 27, 2023, 17 of the 144 Steak n Shake company-operated stores were closed. Steak n Shake plans to sell or lease 10 of the 17 locations and refranchise the balance.

[4] 6 of the 29 Steak n Shake company-operated stores at the start of the year were converted to Franchise Partner Restaurants in FY23.

[5] As of December 25, 2024, 10 of the 140 Steak n Shake company operated stores were closed. Steak n Shake plans to sell or lease 6 of the 10 locations and refinance the balance.

[6] 4 Steak n Shake company-operated stores at the start of the year were converted to Franchise Partner Restaurants in FY24

[7] As of December 31, 2025, seven of the 126 Steak n Shake company-operated stores were closed. Of the seven locations, Steak n Shake plans to reopen two locations and sell or lease five locations.

TABLE NO. 2(a)[1] TRANSFERS OF OUTLETS FROM FRANCHISE PARTNERS TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR FY23, FY24 AND FY25		
State	**Year**	**Number of Transfers**
	FY23	0
	FY24	0
	FY25	0
TOTALS		
	FY23	**0**
	FY24	**0**
	FY25	**0**

[1] This table 2(a) presents information about Restaurants operated by Franchise Partners (not full-investment franchisees) that were transferred to new operators.

TABLE NO. 2(b)[1] TRANSFERS OF OUTLETS FROM TRADITIONAL FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR FY23, FY24 AND FY25		
State	**Year**	**Number of Transfers**
Alabama		
	FY23	0
	FY24	2
	FY25	0
Florida		
	FY23	0
	FY24	1
	FY25	0
Texas		
	FY23	2
	FY24	0
	FY25	0
Virginia		
	FY23	0
	FY24	0
	FY25	1
TOTALS		
	FY23	**2**
	FY24	**3**
	FY25	**1**

[1] This table 2(b) presents information about Restaurants operated by full-investment franchisees (not Franchise Partners) that were transferred to new operators.

TABLE NO. 3(a) -STATUS OF FRANCHISE PARTNER OUTLETS FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Alabama									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1
Florida									
	FY23	57	0	2	0	5	0	0	60
	FY24	60	0	4	0	8	0	8	56
	FY25	56	0	4	0	8	0	3	57
Georgia									
	FY23	12	0	1	0	0	0	0	11
	FY24	11	0	2	0	3	0	1	11
	FY25	11	0	1	0	2	0	0	12
Illinois									
	FY23	18	0	1	0	2	0	2	17
	FY24	17	0	0	0	2	0	5	14
	FY25	14	0	1	0	3	0	1	15
Indiana									
	FY23	21	0	1	0	1	0	1	20
	FY24	20	0	0	0	2	0	1	21
	FY25	21	0	0	0	5	0	1	25
Iowa									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1
Kentucky									
	FY23	11	0	0	0	1	0	0	12
	FY24	12	0	0	0	0	0	0	12
	FY25	12	0	2	0	1	0	1	10
Michigan									
	FY23	4	0	0	0	2	0	0	6
	FY24	6	0	1	0	0	0	1	4
	FY25	4	0	0	0	2	0	0	6

TABLE NO. 3(a) -STATUS OF FRANCHISE PARTNER OUTLETS FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Missouri									
	FY23	11	0	0	0	3	0	0	14
	FY24	14	0	0	0	1	0	0	15
	FY25	15	0	1	0	1	0	1	14
N. Carolina									
	FY23	5	0	0	0	0	0	0	5
	FY24	5	0	0	0	0	0	0	5
	FY25	5	0	0	0	0	0	0	5
Ohio									
	FY23	19	0	0	0	1	0	1	19
	FY24	19	0	0	0	1	0	2	18
	FY25	18	0	1	0	1	0	0	18
Tennessee									
	FY23	7	0	0	0	0	0	0	7
	FY24	7	0	0	0	0	0	0	7
	FY25	7	0	0	0	1	0	0	8
Texas									
	FY23	7	0	0	0	1	0	0	8
	FY24	8	0	0	0	0	0	0	8
	FY25	8	0	2	0	1	0	0	7
TOTALS									
	FY23	**175**	**0**	**5**	**0**	**16**	**0**	**5**	**181**
	FY24	**181**	**0**	**7**	**0**	**17**	**0**	**18**	**173**
	FY25	**173**	**0**	**12**	**0**	**25**	**0**	**7**	**179**

TABLE NO. 3(b)[1] -STATUS OF TRADITIONAL FRANCHISED OUTLETS FOR FY23, FY24 AND FY25									
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Outlets sold to Franchisee**	**Reacquired by Franchisor**	**Ceased Operations-Other Reasons**	**Outlets at End of Year**
Alabama									
	FY23	4	0	0	0	0	0	0	4
	FY24	4	0	0	0	0	0	1	3
	FY25	3	0	0	0	0	0	1	2
Arkansas									
	FY23	4	0	0	0	0	0	0	4
	FY24	4	0	0	0	0	0	1	3
	FY25	3	0	0	0	0	0	0	3
California									
	FY23	2	0	0	0	0	0	0	2
	FY24	2	0	0	0	0	0	0	2
	FY25	2	0	0	0	0	0	0	2
Florida									
	FY23	7	0	0	0	0	0	2	5
	FY24	5	1	0	0	0	0	2	4
	FY25	4	0	0	0	0	0	0	4
Georgia									
	FY23	11	0	0	0	0	0	1	10
	FY24	10	1	0	0	0	0	0	11
	FY25	11	0	0	0	0	0	0	11
Illinois									
	FY23	9	0	0	0	0	0	1	8
	FY24	8	0	0	0	0	0	1	7
	FY25	7	0	0	0	0	0	0	7

[1] This Table 3b presents information about Restaurants operated by full-investment franchisees (not Franchise Partners)

TABLE NO. 3(b)[1] -STATUS OF TRADITIONAL FRANCHISED OUTLETS FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Indiana									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	1	0
	FY25	0	0	0	0	0	0	0	0
Iowa									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1
Kansas									
	FY23	4	0	0	0	0	0	2	2
	FY24	2	0	0	0	0	0	2	0
	FY25	0	0	0	0	0	0	0	0
Kentucky									
	FY23	9	0	0	0	0	0	3	6
	FY24	6	0	0	0	0	0	0	6
	FY25	6	0	0	0	0	0	1	5
Louisiana									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1
Michigan									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1

TABLE NO. 3(b)[1] -STATUS OF TRADITIONAL FRANCHISED OUTLETS FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Mississippi									
	FY23	6	0	0	0	0	0	0	6
	FY24	6	0	0	0	0	0	0	6
	FY25	6	0	0	0	0	0	2	4
Missouri									
	FY23	22	0	0	0	0	1	1	20
	FY24	20	0	0	0	0	0	0	20
	FY25	20	0	0	0	0	0	2	18
Nebraska									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1
Nevada									
	FY23	8	0	0	0	0	0	3	5
	FY24	5	0	0	0	0	0	1	4
	FY25	4	0	0	0	0	0	0	4
N. Carolina									
	FY23	2	0	0	0	0	0	0	2
	FY24	2	0	0	0	0	0	1	1
	FY25	1	0	0	0	0	0	0	1
Ohio									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	0	1

TABLE NO. 3(b)[1] -STATUS OF TRADITIONAL FRANCHISED OUTLETS FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Term-inations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Oklahoma									
	FY23	2	0	0	0	0	0	0	2
	FY24	2	0	0	0	0	0	1	1
	FY25	1	0	0	0	0	0	0	1
Pennsylvania									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	1	0
	FY25	0	0	0	0	0	0	0	0
S. Carolina									
	FY23	2	0	0	0	0	0	0	2
	FY24	2	0	0	0	0	0	0	2
	FY25	2	0	0	0	0	0	0	2
Tennessee									
	FY23	10	0	0	0	0	0	1	9
	FY24	9	0	0	0	0	0	4	5
	FY25	5	0	0	0	0	0	1	4
Texas									
	FY23	13	0	0	0	0	0	3	10
	FY24	10	0	0	0	0	0	5	5
	FY25	5	0	0	0	0	0	2	3
Virginia									
	FY23	4	0	0	0	0	0	0	4
	FY24	4	0	0	0	0	0	0	4
	FY25	4	0	0	0	0	0	0	4

TABLE NO. 3(b)[1] -STATUS OF TRADITIONAL FRANCHISED OUTLETS FOR FY23, FY24 AND FY25									
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Term-inations**	**Non-Renewals**	**Outlets sold to Franchisee**	**Reacquired by Franchisor**	**Ceased Operations-Other Reasons**	**Outlets at End of Year**
Washington DC									
	FY23	1	0	0	0	0	0	0	1
	FY24	1	0	0	0	0	0	0	1
	FY25	1	0	0	0	0	0	1	0
W. Virginia									
	FY23	2	0	0	0	0	0	0	2
	FY24	2	1	0	0	0	0	0	3
	FY25	3	0	0	0	0	0	1	2
TOTALS									
	FY23	**131**	**0**	**0**	**0**	**0**	**1**	**19**	**111**
	FY24	**111**	**3**	**0**	**0**	**0**	**0**	**21**	**93**
	FY25	**93**	**0**	**0**	**0**	**0**	**0**	**11**	**82**

TABLE NO. 4[1] – STATUS OF COMPANY-OPERATED OUTLETS FOR FY22, FY23 AND FY25							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Alabama							
	FY23	1	0	0	0	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	0	1
Colorado							
	FY23	1	0	0	0	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	0	1
Florida							
	FY23	20	0	2	1	5	16
	FY24	16	0	12	1	8	19
	FY25	19	0	7	2	8	16
Georgia							
	FY23	7	0	1	1	0	7
	FY24	7	0	3	0	3	7
	FY25	7	0	1	1	2	5
Illinois							
	FY23	37	1	3	2	2	37
	FY24	37	0	5	5	2	35
	FY25	35	0	2	0	3	34
Indiana							
	FY23	39	1	1	5	1	35
	FY24	35	0	1	2	2	32
	FY25	32	0	1	1	5	27
Iowa							
	FY23	2	0	0	0	0	2
	FY24	2	0	0	0	0	2
	FY25	2	0	0	0	0	2

[1] This Table 4 presents information about Restaurants operated by us or our affiliates.

TABLE NO. 4[1] – STATUS OF COMPANY-OPERATED OUTLETS FOR FY22, FY23 AND FY25							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Kentucky	FY23	0	0	0	0	0	0
	FY24	0	0	0	0	0	0
	FY25	0	0	3	0	1	2
Michigan							
	FY23	13	0	0	4	2	7
	FY24	7	0	2	0	0	9
	FY25	9	0	0	0	2	7
Missouri							
	FY23	10	1	0	2	3	6
	FY24	6	0	0	1	1	4
	FY25	4	0	2	0	1	5
N. Carolina							
	FY23	1	0	0	0	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	0	1
Ohio							
	FY23	30	0	1	3	1	27
	FY24	27	0	2	3	1	25
	FY25	25	0	1	3	1	22
Pennsylvania							
	FY23	4	0	0	3	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	0	1
S. Carolina							
	FY23	0	0	1	0	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	0	1
Tennessee							
	FY23	1	0	0	0	0	1
	FY24	1	0	0	0	0	1
	FY25	1	0	0	0	1	0

TABLE NO. 4[1] – STATUS OF COMPANY-OPERATED OUTLETS FOR FY22, FY23 AND FY25							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Texas							
	FY23	6	0	0	4	1	1
	FY24	1	0	0	0	0	1
	FY25	1	0	2	1	1	1
TOTALS							
	FY23	**173**	**3**	**9**	**25**	**16**	**144[2]**
	FY24	**144**	**0**	**25**	**12**	**17**	**140[3]**
	FY25	**140**	**0**	**19**	**8**	**25**	**126[4]**

[2] As of December 27, 2023, 17 of the 144 Steak n Shake company-operated stores were closed. Steak n Shake plans to sell or lease 10 of the 17 locations and refranchise the balance.

[3] As of December 25, 2024, 10 of the 140 Steak n Shake company-operated stores were closed. Steak n Shake plans to sell or lease 6 of the 10 locations and refranchise the balance.

[4] As of December 31, 2025 seven of the 126 Steak n Shake company-operated stores were closed. Of the seven locations, Steak n Shake plans to reopen two locations and sell or lease five locations.

TABLE NO. 5(a)[1]
PROJECTED OPENINGS FOR FRANCHISE PARTNERS
AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year
Colorado	0	1
Florida	0	5
Georgia	0	3
Illinois	0	2
Indiana	0	0
Kentucky	0	0
Michigan	0	3
Missouri	0	1
North Carolina	0	1
Ohio	0	4
Texas	0	1
Totals	**0**	**21**

[1] This table 5(a)presents projection information about Restaurants to be operated by Franchise Partners (not full-investment franchisees).

TABLE NO. 5(b)[1] PROJECTED OPENINGS FOR TRADITIONAL FRANCHISEES AS OF DECEMBER 31, 2025			
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-operated Outlet in the Next Fiscal Year
Alabama	0	1	0
Iowa	1	1	0
Louisiana	0	1	0
Michigan	1	1	0
Nevada	0	1	0
New York	0	1	0
Tennessee	0	1	0
Texas	0	1	0
West Virginia	0	1	0
Totals	**2**	**9**	**0**

[1] This Table 5(b) presents projection information about Restaurants to be operated by full-investment franchisees (not Franchise Partners) and Restaurants to be operated by us or our affiliates.

All of our operating franchisees as of the Issuance Date of this Disclosure Document, including their store addresses, and telephone numbers are listed on Exhibit C, along with contact information for those franchisees who signed Franchise Agreements as of the Issuance Date of this Disclosure Document, who have not yet opened.

A list of all of our franchisees who have had a franchise terminated, canceled or not renewed, or who have otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the 12 month period ended December 31, 2025 and through the Issuance Date of this Disclosure Document, or who have not communicated with us since December 25, 2024, also is included on Exhibit C.

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

In some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experience with Steak n Shake By Biglari. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

If you are purchasing an existing Restaurant we currently operate, we are required to disclose whether the Restaurant was previously operated by a Franchisee during the last five years. If the sections below are left blank, the Restaurant was not operated as a franchised Restaurant during the past five years.

Name, city and state, current business telephone number of prior owner:

_____

Time period when prior owner controlled:

_____

Reason for change in ownership:

_____

Time periods when we regained control in ownership:

_____

We have not created, sponsored, or endorsed any trademark-specific franchisee organizations associated with our Marks.

ITEM 21

FINANCIAL STATEMENTS

Steak n Shake Inc. unconditionally guarantees our performance under the Franchise Agreement and a copy of the Guarantee of Performance is attached as Exhibit D.

For Consolidated Financial Statements of Steak n Shake Inc. as of December 31, 2025 and December 25, 2024 and for the fifty-three weeks ended December 31, 2025, and for the fifty-two weeks ended December 25, 2024, and December 27, 2023 and Independent Auditor's Report see attached Exhibit G.

ITEM 22

CONTRACTS

The sample release is attached as Exhibit E

Form of Confidentiality Agreement to review a copy of the Manual prior to execution of the Franchise Agreement is attached as Exhibit F

State-Specific Disclosures and State-Specific Addendums to Agreements are attached hereto as Exhibit H

The Area Development Agreement is attached as Exhibit I

Area Development Agreement Term Sheet is attached as Appendix A to the Area Development Agreement

Personal Covenants of Principal Owners is attached as Appendix B to the Area Development Agreement

The Franchise Agreement and Appendices thereto are attached as Exhibit J

Personal Guaranty and Personal Covenants to be signed by each Principal Owner is attached as Appendix B-1 to the Franchise Agreement

Confidentiality and Waiver Agreement to be signed by Owners with less than 10% interest, managers and employees attached as Appendix B-2 to the Franchise Agreement

Addendum to Lease Agreement to be signed by Franchisee and its landlord is attached as Appendix C to the Franchise Agreement

Declaration Of Franchise Agreement is attached as Appendix D to the Franchise Agreement

Pre-Authorized Bank Transfer is attached as Appendix E to the Franchise Agreement

Expiration of Franchise Agreement attached as Rider 1 to the Franchise Agreement

Turnover Date Commitment Form attached as Rider 2 to the Franchise Agreement

Franchisor's Consent to Restaurant Opening attached as Rider 3 to the Franchise Agreement

Form of SBA Addendum To Franchise Agreement is attached to the Franchise Agreement as Exhibit 1

Form of Waiver and Indemnity Agreement is attached to the Franchise Agreement as Exhibit 2

The License Agreement is attached as Exhibit K

We also require that you complete and sign the Eyes Wide Open Compliance Certification before signing a Franchise Agreement or ADA, which is attached as Exhibit L

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt for this disclosure document appear as the last pages of the disclosure document (Exhibit M). Please date and sign each of them as of the date you received this disclosure document, return one copy to us and keep the other with this disclosure document for your records.

EXHIBIT A

STATE FRANCHISE ADMINISTRATORS

ARKANSAS Corporation Division Secretary of State State Capitol Bldg. 500 Woodlane Avenue, Room 256 Little Rock, AR 72201	*HAWAII* Department of Commerce and Consumer Affairs Business Registration Division P O Box 40 Honolulu, HI 96813 Commissioner of Securities Department of Commerce and Consumer Affairs, Business Registration Division Securities Compliance Branch 335 Merchant Street, Rm. 205 Honolulu, Hawaii 96813	*LOUISIANA* Department of Justice Consumer Protection Section P.O. Box 94005 Baton Rouge, LA 70804
CALIFORNIA Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Toll Free Number: (866) 275-2677	*ILLINOIS* Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706	*MAINE* Banking Bureau Securities Division 121 State House Station Augusta, ME 04333-0121
CONNECTICUT Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800	*INDIANA* Franchise Division Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, IN 46204	*MARYLAND* Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020
FLORIDA Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Services 2005 Apalachee Parkway Terry Rhodes Building Tallahassee, FL 32399-6500	*IOWA* Securities Division/Iowa Insurance Division Two Ruan Center 601 Locust Street, 4th Floor Des Moines, IA 50309-3738	*MICHIGAN* Department of Attorney General Consumer Protection Division Franchise Mennen Williams Bldg, First Floor 525 W. Ottawa Street Lansing, MI 48933
GEORGIA Office of Consumer Affairs 2 Martin Luther King, Jr. Drive S.E. Suite 356 Atlanta, GA 30334	*KENTUCKY* Office of the Attorney General Consumer Protection Division 1024 Capital Center Drive, Ste 200 Frankfort, KY 40601	*MINNESOTA* Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198

NEBRASKA Department of Banking and Finance Nebraska Securities Bureau Commerce Court 1526 K Street, Suite 300 P O Box 95006 Lincoln, NE 68509-5006	*OKLAHOMA* Oklahoma Department of Securities 204 N. Robinson Ave., Suite 400 Oklahoma City, OK 73102	*UTAH* Consumer Protection Division 160 East 300 South, SM Box 146704 Salt Lake City, UT 84114-6704
NEW HAMPSHIRE Office of the Attorney General Consumer Protection and Antitrust Bureau State House Annex 33 Capitol Street Concord, NH 03301	*OREGON* Division of Finance and Corporate Securities P O Box 14480 Salem, OR 97309-0405	*VIRGINIA* State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219
NEW YORK Office of the Attorney General Investment Protection Bureau 28 Liberty Street, 16th Floor New York, NY 10005	*RHODE ISLAND* Department of Business Regulation Securities Division Franchise Section 1511 Pontiac Avenue, Bldg. 68-2 Cranston, RI 02920	*WASHINGTON* Department of Financial Institutions Securities Division 150 Israel Rd., SW Tumwater, WA 98501
NORTH CAROLINA Office of the Attorney General Consumer Protection Office 9001 Mail Service Center Raleigh, NC 27699-9001	*SOUTH CAROLINA* Secretary of State Capitol Complex Edgar Brown Bldg., Suite 525 1205 Pendleton Street P O Box 11350 Columbia, SC 29211	*WISCONSIN* Wisconsin Department of Financial Institutions Division of Securities, 4th Floor 4822 Madison Yards Way North Tower Madison, WI 53705
NORTH DAKOTA North Dakota Insurance & Securities Department 600 East Boulevard Avenue Dept. 401 Bismarck, ND 58505-0510	*SOUTH DAKOTA* Division of Labor and Regulations Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501	
OHIO Attorney General's Office Consumer Protection Section 30 East Broad Street, 17th Floor Columbus, OH 43215-3428	*TEXAS* Secretary of State Business Opportunity Section P.O. Box 13193 Austin, TX 78711	

EXHIBIT B

LIST OF REGISTERED AGENTS

ALABAMA CSC-Lawyers Incorporating Service Incorporated 641 South Lawrence Street Montgomery, AL 36104	*FLORIDA* Corporation Service Company 1201 Hays Street Tallahassee, FL 32301	*INDIANA* Secretary of State 200 W. Washington Street Room 201 Indianapolis, IN 46204 Corporation Service Company 135 North Pennsylvania Street Suite 1600 Indianapolis, IN 46204
ARKANSAS Corporation Service Company 300 Spring Building Suite 900 300 S. Spring Street Little Rock, AR 72201	*GEORGIA* Corporation Service Company 2 Sun Court, Suite 400 Peachtree Corners, GA 30092	*IOWA* Corporation Service Company 505 Fifth Avenue Suite 729 Des Moines, IA 50309
CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 Corporation Service Company d/b/a CSC-Lawyers Incorporating Service 2710 Gateway Oaks Drive, Suite 150N Sacramento, CA 95833-3505	*HAWAII* Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street Room 203 Honolulu, HI 96813 Corporation Service Company 1003 Bishop Street, Suite 1600 Pauahi Tower Honolulu, HI 96813	*KANSAS* Corporation Service Company 2900 Southwest Wanamaker Drive, Suite 204 Topeka, KS 66614
COLORADO Corporation Service Company 1900 W. Littleton Blvd. Littleton, CO 80120	*ILLINOIS* Attorney General State of Illinois 500 South Second Street Springfield, IL 62706 Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	*KENTUCKY* Corporation Service Company 421 West Main Street Frankfort, KY 40601

LOUISIANA Corporation Service Company 501 Louisiana Avenue Baton Rouge, LA 70802	*MISSISSIPPI* Corporation Service Company 109 Executive Drive, Suite 3 Madison, MS 39110	*NEW YORK* Secretary of State of The State of New York 99 Washington Avenue Albany, NY 12231.0001 Corporate Service Company 80 State Street Albany, NY 12207-2543
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 CSC-Lawyers Incorporating Service Company 7 St. Paul Street, Suite 820 Baltimore, MD 21202	*MISSOURI* CSC-Lawyers Incorporating Service Company 221 Bolivar Street Jefferson City, MO 65101	*NORTH CAROLINA* Corporation Service Company 2626 Glenwood Ave, Ste 550 Raleigh, NC 27608
MICHIGAN Michigan Department of Commerce Corporations and Securities Bureau G. Mennen Williams Building 1st Floor 525 West Ottawa Street Lansing, Michigan 48933 CSC-Lawyers Incorporating Service (Company) 3410 Belle Chase Way, Ste 600 Lansing, MI 48911	*NEBRASKA* CSC-Lawyers Incorporating Service Company 233 South 13th Street, Suite 1900 Lincoln, NE 68508	*NORTH DAKOTA* North Dakota Insurance Commissioner 600 East Blvd. Avenue, Dept 401 Bismarck, ND 58505 Corporation Service Company 418 N. 2nd Street Bismarck, ND 58501-2121
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 Saint Paul, MN 55101 Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113	*NEVADA* Corporation Service Company 112 North Curry Street Carson City, NV 89703	*OHIO* Corporation Service Company 1160 Dublin Road, Suite 400 Columbus, OH 43215

OKLAHOMA Corporation Service Company 10300 Greenbrier Place Oklahoma City, OK 73159-7653	*TENNESSEE* Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	
PENNSYLVANIA Corporation Service Company 2595 Interstate Drive, Suite 103 Harrisburg, PA 17110	*TEXAS* Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street, Suite 620 Austin, TX 78701-3218	
RHODE ISLAND Dept. of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Bldg. 69-1 Cranston, RI 02920 Corporation Service Company 222 Jefferson Blvd., Suite 200 Warwick, RI 02888	*VIRGINIA* Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 Corporation Service Company 100 Shockoe Slip, 2nd Floor Richmond, VA 23219	
SOUTH CAROLINA Corporation Service Company 100 Coastal Drive Suite 210 Charleston, SC 29492	*WASHINGTON* Director of Financial Institutions Securities Division Securities Division 150 Israel Rd., SW Tumwater, WA 98501 Corporation Service Company MC-CSC1, 300 Deschutes Way, SW, Suite 208 Tumwater, WA 98501	
SOUTH DAKOTA Director Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501-3185 Corporation Service Company 503 South Pierre Street Pierre, SD 57501	*WISCONSIN* Administrator, Division of Securities, Dept. of Financial Institutions 4th Floor P.O. Box 1768 Madison, WI 53701 Corporation Service Company 33 East Main Street, Suite 610Madison, WI 53703	

EXHIBIT C

LISTS OF FRANCHISED AND FORMER FRANCHISED RESTAURANTS

Franchisees as of December 25, 2024:

ALABAMA

CEASE HOLDINGS INC.
Charles Cease; Tel. (502) 299-1075
3125 Government Blvd., Mobile, AL 36606; Tel: (251) 476-2668
655 Schillinger Road South, Mobile, AL 36695; Tel: (251) 633-9900

ARKANSAS

MIDWEST SNS
Michael Stennett; Tel. (479) 283-4724
4074 N Mall Avenue, Fayetteville, AR 72703; Tel: (479) 444-6343

BURGER JOINT LLC
Sanjay Patel: Tel. (870) 450-8323
2303 East Parker Road, Jonesboro, AR 72404; Tel. (870) 336-0358
2112 Linwood Drive, Paragould, AR 72450; Tel. (870) 215-0732

CALIFORNIA

YUCCA VALLEY SNS, LLC
Sam Spinello, Tel. (760) 455-7591
58501 Twenty-Nine Palms Highway, Yucca Valley, CA 92284; Tel. (760) 820-1345

MARYMINA LLC
Mina Matta; Tel. (760) 952-0011
12160 Mariposa Road, Victorville, CA 92395; Tel. (760) 243-0445

FLORIDA

CEASE HOLDINGS INC.
Charles Cease; Tel. (502) 299-1075
2057 Airport Blvd., Pensacola, FL 32505; Tel. (850) 473-2280

LAUDERDALE F&B PARTNERS
Chris Milne; Tel. (716) 858-5000
Fort Lauderdale Hollywood International Airport, Fort Lauderdale, FL 33315

MID FLORIDA HOSPITALITY, LLC
R. Todd Webb; Tel. (352) 585-0405
5542 Post Oak Blvd., Wesley Chapel, FL 33544; Tel. (813) 388-6772

GUEST SERVICES INC.
Julie Beveridge; Tel. (703) 849-9371
Florida Southern College, 111 Lake Hollingsworth Dr., Lakeland, FL 33801

GEORGIA

A-1 GENERAL SERVICES CO., INC.
Alberto Alamer; Tel. (404) 668-7401
1460 Highway 27 South, Carrollton, GA 30117; Tel. (678) 664-0837

A-2 GENERAL SERVICES CO., INC.
Alberto Alamer; Tel. (404) 668-7401
700 Marketplace Blvd., Locust Grove, GA 30248; Tel. (678) 846-2270

BOARD OF REGENTS
Georgia State University, GSU Student Center, 55 Gilmer St., Atlanta, GA 30303

DAGGA BOY CARTERSVILLE, LLC
Robby Stewart; Tel. (678) 300-1142
610 E. Main Street, Cartersville, GA 30121; Tel. (770) 382-8182

DAGGA BOY DOUGLASVILLE, LLC
Robby Stewart; Tel. (678) 300-1142
9557 Bill Arp Rd, Douglasville, GA 30135; Tel. (770) 942-2200

DEBO'S DINERS, INC.
Debra Richman; Tel. (424) 400-2777
1250 W. Walnut Avenue, Dalton, GA 30720; Tel. (706) 272-3300 or 272-3002
1182 Battlefield Parkway, Ft. Oglethorpe, GA 30742; Tel. (706) 858-1919 or (706) 858-1921

GREAT SHAKES, LLC
Wayne Robinson; Tel. (706) 506-9000
838 Turner McCall Blvd., Rome, GA 30161; Tel. (706) 204-8657

PEOPLE SALES & PROFIT
James Spornhauer; Tel. (614) 746-9575
2999 Watson Boulevard, Warner Robins, GA 31093-8535; Tel. (478) 953-6027
1601 Bradley Park Drive, Columbus, GA 31904; Tel. (706) 653-7500

JUBILEE VISION, LLC
Shezan Batliwala; Tel. (404) 452-6238
6789 Shannon Parkway, Union City, GA 30291; Tel. (678) 519-2447

ILLINOIS

STULLER, INC.
David Bruno; Tel. (217) 720-9333
1580 Wabash Avenue, Springfield, IL 62704; Tel. (217) 787-0392
1960 W. Morton Avenue, Jacksonville, IL 62650; Tel. (217) 245-9422
3184 South Dirksen, Springfield, IL 62703; Tel. (217) 529-5823
2465 North Dirksen, Springfield, IL 62702; Tel. (217) 492-5925
1231 Northern Avenue, Taylorville, IL 62568; Tel. (217) 787-2940

CLAWSON MANAGEMENT SNS, INC.
Tyler Hays; Tel. (217) 254-5113
1520 E. Walnut, Watseka, IL 60970, Tel. (815) 432-0395

MM RETAIL, LLC
David Wright; Tel. (217) 971-8951
12 Corvette Drive, Litchfield, IL 62056; Tel. (217) 324-3440

IOWA

MILLS CIVIC SNS LLC
Ryan Winter; Tel. (515) 707-6042
815 52nd Street, West Des Moines, IA 50265
1045 SE Alice Road, Waukee, IA 50263 – **Not yet open**

KENTUCKY

ARAMARK FOOD AND SUPPORT SERVICES GROUP, INC.
Matthew Weiss; Tel. (215) 238-3790
Downing Student Food Court, Western KY University, Bowling Green, KY; Tel. (270) 783-9260

COMPASS GROUP USA, INC.
Janet Carlson; Tel. (704) 328-7955
Northern Kentucky University, Highland Hts, KY 41099

GO TIME RESTAURANTS LLC
Leslie Scott King; Tel. (606) 435-1067
54 Commodore Street, Hazard, KY 41701; Tel. (606) 55-1153
101 Bethel Harvest Drive, Nicholasville, KY 40356; Tel. (859) 309-1622

STEAK N SHAKE OF ASHLAND, INC.
Doug Knipp; Tel. (606) 923-9362
425 Armco Road, Ashland, KY 41101; Tel. (606) 618-0994

LOUISIANA

SODEXO
Don Wood; Tel. (301) 987-4000
Northwestern State University of LA, 185 Sam Sibley Dr., Natchitoches, LA 71497

MICHIGAN

CULINARIO HOSPITALITY, LLC
Jeffrey Mulholland; Tel. (248) 339-6841
3892 Baldwin Road, Auburn Hills, MI 48326; Tel. (248) 253-1902

SSSR LLC
Kassem Beydoun; Tel. (734) 968-8580
735 S. Main Street, Royal Oak, MI 48067 – **Not yet open**

MISSISSIPPI

BILOXI COAST MANAGEMENT, INC. d/b/a Grand Biloxi Casino Hotel and Spa
Nina Abadisian; Tel. (310) 476-5514
265 Beach Blvd., Biloxi, MS 39530; Tel. (228) 436-2828

DTEK PEARL, LLC
Kim Investments, LLC and GJ Tanaka Investments, LLC; Tel. (601) 497-1097
300 Riverwind Drive, Pearl, MS 39208; Tel. (769) 235-7122

M&M FAMILY ENTERPRISES, LLC
Matthew McKnight; Tel. (662) 255-2033
1665 North Gloster, Tupelo, MS 38804; Tel. (662) 260-4550

MISSOURI

AYERS 1, LLC
Steve Ayers; Tel. (573) 288-4464
1702 Oak Street, Canton, MO 63435; Tel. (573) 288-0366

DRUCO RESTAURANTS, INC.
Ollie Burger; Tel. (314) 614-0541
3061 Route K, Cape Girardeau, MO 63701; Tel. (573) 334-0223

GUESA SHAKE, LLC
Jorge R. Guervara; Tel. (660) 596-1615
4203 Wisconsin Avenue, Sedalia, MO 65301; Tel. (660) 851-2264

INSIGHT PARTNERS
Chip Peterson; Tel. (573) 760-6293
746 Maple Valley Drive, Farmington, MO 63640; Tel. (573) 760-0100

STENCO RESTAURANTS, INC.
Mike Stennett; Tel. (479) 283-4724
1550 S. Glenstone, Springfield, MO 65804; Tel. (417) 887-0906
1158 St. Louis Street, Springfield, MO 65806; Tel. (417) 866-6109
3755 S. Campbell Street, Springfield, MO 65807; Tel. (417) 882-7164
3247 Battlefield Road, Springfield, MO 65804; Tel. (417) 889-7887
2760 N. Glenstone, Springfield, MO 65803; Tel. (417) 863-9072
1160 Rye Lane, Lebanon, MO 65536; Tel. (417) 532-2795

MIDWEST SNS
Michael Stennett; Tel. (479) 283-4724
3115 East Hammons Blvd., Joplin, MO 64804; Tel. (417) 626-8088

STENNETT'S S'NS, INC.
Nancy Stennett; Tel. (417) 337-1848
503 West Highway 76, Branson, MO 65616; Tel. (417) 336-5303

STENNETT'S S'NS II, INC.
Nancy Stennett; Tel. (417) 337-1848
1386 West Highway 376, Branson, MO 65616; Tel. (417) 336-2565 or (417) 336-2566

WOODS RESTAURANTS, L.L.C.
Bonnie Woods; Tel. (573) 999-3069
1912 West Worley, Columbia, MO 65203; Tel. (573) 445-3097
3004 Clark Lane, Columbia, MO 65202; Tel. (573) 886-8535
3920 Highway 54, Osage Beach, MO 65065; Tel. (573) 348-0090

S&S OF BLUFF, INC.
Steve Brassfield; Tel. (573) 631-5885
1471 N. Westwood Blvd., Poplar Bluff, MO 63901; Tel. (573) 785-6111

MJHSCJ ENTERPRISES, LLC
Michael Morris; Tel. (417) 280-6081
989 Worley Drive, West Plains, MO 65775; Tel. (417) 372-8917

NEBRASKA

THE BOARD OF REGENTS
Lynn McAlpine; Tel. (402) 554-3514
University of Nebraska, 1400 R. Street, Lincoln, NE 68508

NEVADA

GAUGHAN SOUTH, LLC d/b/a SOUTH POINTE HOTEL AND CASINO
Michael Kennedy; Tel. (702) 239-7027
9777 Las Vegas Blvd. South, Las Vegas, NV 89183; Tel. (702) 796-7111

115 EAST TROPICANA AVENUE OWNER SUB LP
Jason Kreul; Tel. (513) 314-7624
OYO Casino Hotel, 115 East Tropicana Ave., Las Vegas, NV 89109; Tel. (702) 796-7111

VONTRA LLC
Travis Carl; Tel. (702) 480-8478
Cannery Casino Hotel, 2121 E. Craig Rd., Las Vegas, NV 89030; Tel. (866) 436-4130
Fremont Hotel, 200 E. Fremont St., Las Vegas, NV 89101; Tel. (866) 436-4130

NORTH CAROLINA

ARAMARK FOOD AND SUPPORT SERVICES GROUP, INC.
Matthew Weiss; Tel. (215) 238-3790
East Carolina University, Student Center, 501 East 10th Street, Greenville, NC 27858

OHIO

STRICTLY CASUAL CONCEPTS, LLC
James Stricklin (740) 591-0254
741 E. State Street, Athens, OH 45701; Tel. (740) 592-2005

OKLAHOMA

NEO RESTAURANTS
Michael Simmons; Tel. (918) 260-0234
501 Stonewood Drive, Broken Arrow, OK 74012; Tel. (918) 355-6405

SOUTH CAROLINA

MSE BRANDED FOODS
Ed Jones; Tel. (770) 532-3301
Myrtle Beach Airport Terminal, 1100 Jet Port Rd, Myrtle Beach, SC 29577; Tel. (843) 448-8459

STEAKERS AND SHAKERS, LLC
Steve Warren; Tel. (336) 207-7591
499 Congaree Rd., Greenville, SC 29607; Tel. (864) 284-6256

TENNESSEE

A.R.T. Hospitality Group L.L.C.
Merna Nady Farag; Tel (615) 397-4962
951 Sgt. Ashbury Hawn Way, Smyrna, TN 37167; Tel. (615) 267-0557

DEBO'S DINERS, INC.
Debra Richman; Tel. (424) 400-2777
2296 Gunbarrel Road, Chattanooga, TN 37421; Tel. (423) 892-2993 or (423) 892-2498
220 Paul Huff Parkway, NW, Cleveland, TN 37312; Tel. (423) 614-7300

ESHAYUSHI, LLC
Yogesh Patel; Tel. (732) 735-5978
1036 Mineral Wells Avenue, Paris, TN 38242; Tel. (731) 407-7360

TEXAS

A.N.T. ENTERPRISES, LLC
Mike Tatari; (459) 517-2001
101 US Hwy 287, Henrietta, TX 76365; Tel. (940) 538-0406

PETROLEUM WHOLESALE, L.P.
John Cook; Tel. (281) 681-1000
10400 I-20, Midland, TX 79706; Tel. (432) 563-7944

CEDIEL CONCESSION MANAGEMENT, LLC
Mario Cediel; Tel. (713) 851-8867
George Bush Intercontinental Airport, Houston, TX 77032

VIRGINIA

ARAMARK FOOD AND SUPPORT SERVICES GROUP, INC.
Matthew Weiss; Tel. (215) 238-3790
James Madison University, 150 Bluestone Drive, Harrisonburg, VA 22807
Old Dominion University, Webb University Center, 1200 Webb Center, Norfolk, VA 23529
Virginia Commonwealth University, Student Commons, 810 Cathedral Place, Richmond, VA 23284

SODEXO OPERATIONS, LLC
Don Wood; Tel. (301) 987-4000
George Mason University, 4400 University Drive, Fairfax, VA 22030

WEST VIRGINIA

TRI-STATE SNS
Doug Knipp; Tel. (606) 923-9362
3409 US HWY 60 East, Barboursville, WV 25504; Tel. (304) 733-2051

HEERA, LLC
Ismail Latif; Tel. (304) 517-4906
3516 Monogahela Blvd., Morgantown, WV 26505; Tel. (304) 943-2054

LIST OF FRANCHISED PARTNERS

ALABAMA			
	LOIS BERNA SUMMIT LLC **Patrick Brinkley**	**5901 University Drive** **Huntsville, AL 35816**	**256-227-9452**
FLORIDA			
	388 VENTURES LLC **Wilford Faroh-Paris**	**12541 West Sunrise Blvd** **Sunrise, FL**	**786-779-2320**
	A & G RESTAURANTS, LLC **Anthony Portanova Jr.**	**1210 Linton Blvd** **Delray Beach, FL 33444**	**561-452-8221**
	AKIA ROOTS LLC **Alyson Haddon**	**10131 Bloomingdale Avenue** **Riverview, FL**	**352-777-2936**
	ALL FOOD SUPPLY, LLC **Vladislav Remar**	**8701 S.W. 157th Avenue** **Miami, FL 33193**	**786-861-5062**
	ATAKA EATS LLC **Kaitlin Skipper**	**10650 US HWY 441** **Leesburg, FL 34788**	**210-376-1204**
	BASTON-HUDSON RESTAURANT GROUP LLC **Otez Hudson**	**133 South State Road 7** **Royal Palm Beach, FL 33411**	**954-482-2679**
	BAY ROUTE LLC **Abdul Shuman**	**4480 Park Street** **St. Petersburg, FL 33709**	**727-520-5527**
	BMJC RESTAURANT LLC **Joseph Lincoln**	**2490 State Road 580** **Clearwater, FL 33761**	**727-252-4400**
	BOLD RESTAURANTS LLC **Justin Bold**	**9560 Regency Square Blvd.** **Jacksonville, FL 32225**	**904-422-6095**
	BRJ89, LLC **Brandon Johnson**	**170 S.W. Commerce Blvd.** **Lake City, FL 32025**	**386-292-4382**

	CAPE'S BURGERS & SHAKES INC. **Ismail Askargeh**	**1721 NE Pine Island Road** **Cape Coral, FL 33909**	**305-205-9789**
	CESPO FAMILY LLC **Yesenia Crespo**	**4500 South Highway 17-92** **Casselberry, FL 32707**	**407-535-2518**
	CHAMOOTH LLC **Christopher Taitingfong**	**1680 S. Orange Blossom Trail** **Apopka, FL 32703**	**680-222-7043**
	DAAD II ENTERPRISES LLC **Antwain White**	**10555 Ulmerton Road** **Largo, FL 33771**	**656-214-1358**
	DIAZ & SONS ASSETS LLC **Gerardo Diaz**	**4325 West Lake Mary Boulevard** **Lake Mary, FL 32746**	**386-675-2534**
	DI&JJ577, LLC **Imad Hammoumi**	**11700 University Boulevard** **Orlando, FL 32817-2123**	**407-455-1817**
	EAT N SMILE LLC **Freddy Jones**	**17509 N. Palms Village Place** **Tampa, FL 33602**	**347-458-7221**
	ELITE A'S LLC **Ismelda Garcia**	**4313 West Vine Street** **Kissimmee, FL 34746**	**401-523-6344**
	EVERY THING IS FINE LLC **Sofia Whitefield**	**1760 US Highway 1 South** **St. Augustine, FL 32084**	**386-986-9816**
	FAMLEE INVESTMENT CO **William Kicklighter**	**1 Cypress Edge Drive** **Palm Coast, FL**	**407-230-1066**
	GALLAGHER 'N ASSOCIATES LLC **Richard Gallagher**	**4305 Commercial Way** **Spring Hill, FL 34606**	**813-493-9030**
	GOLD STANDARD FOOD SERVICE LLC **Bruce Willis**	**9116 U.S. Hwy 19** **North Port Richey, FL 34668**	**352-397-7766**
	GOOD NEWS LWI INC **Thomas Williams**	**2315 South Dale Mabry Highway** **Tampa, FL 33609**	**956-467-2088**
	HAAS RESTAURANTS LLC **Brianna Haas**	**120 Williamson Blvd.** **Ormond Beach, FL**	**386-337-4606**

	J&A RESTAURANT GROUP LLC **Kyle Chapman**	**3046 Little Road** **Trinity, FL 34655**	**727-403-3769**
	JJ DAY LLC **Jennifer Day**	**2700 South Semoran Boulevard** **Orlando, FL 32822**	**407-417-7133**
	JPPEAP INCORPORATED **John Price**	**11306 Causeway Boulevard** **Brandon, FL 33511**	**252-622-2086**
	K & A EATS LLC **Ashlea Mitchell**	**3394 Capitol Circle NE** **Tallahassee, FL 32308**	**954-512-3814**
	L&L HAYNES AND ASSOC. LLC **Heidi Haynes**	**1000 International Speedway** **Daytona Beach, FL 32114**	**386-478-9092**
	LA FAMILIA SNS LLC **Erika Torres**	**12163 South Apopka-Vinland Road** **Orlando, FL 32836**	**203-558-1659**
	LA FAMILIA SNS 2 LLC **Cesar Torres**	**13133 South Orange Blossom Trail** **Orlando, FL 32837**	**203-597-7595**
	LAINE CHANGE, LLC **Christopher Bradshaw**	**1459 Capitol Circle** **NW Tallahassee, FL 32304**	**319-269-3536**
	LEGENDS GRILL LLC **Sunyani Johnson**	**5180 NE 24th Street** **Ocala, FL 34470**	**404-704-4841**
	MEL'S STEAK SHOP, LLC **Melissa Pascuzzo**	**40 Town Center Circle** **Sanford, FL 32771**	**407-376-4949**
	MINTRICK HOLDINGS LLC **Patrick Sanders**	**4297 Cattlemen Road** **Sarasota, FL 34232**	**727-534-7884**
	MONROY RESTAURANTS LLC **Michael Monroy**	**1681 Wells Road** **Orange Park, FL 32073**	**904-608-6978**
	NEW GENERATION MANAGEMENT USA, LLC **Sam Saab**	**3000 Old Boynton Road** **Boynton Beach, FL 33436**	**561-707-9173**
	O&S CONSULTING, LLC **Omar Mohammad**	**1450 East Fowler Avenue** **Tampa, FL**	**314-550-7347**

	PCLM HOLDINGS LLC **Deandra Dewalt**	**2567 E. State Road 60** **Valrico, FL**	**678-799-4741**
	POUND FAMILY RESTAURANTS LLC **Stephen Pound**	**8115 Red Bug Lake** **Oviedo, FL 32765**	**407-383-5132**
	ROSEMARY'S RESTAURANT, LLC **Rosemary Fulladosa**	**3800 SW College Road** **Ocala, FL 34474**	**352-682-4130**
	RRED HOSPITALITY LLC **Robert Miller III**	**295 E. Altamonte Drive** **Altamonte Springs, FL 32701**	**602-418-8719**
	RSMC RESTAURANT LLC **Michelle Christianson**	**12921 Sheldon Road** **Tampa, FL 33625**	**813-597-6886**
	SPONDER ENTERPRISES L.L.C. **Kenneth Sponder**	**2545 E. Highway 50** **Clermont, FL 34711**	**920-517-0075**
	STEAK 276 LLC **Daniel Cordis**	**790 Merritt Island Causeway** **Merritt Island, FL 32952**	**773-851-6407**
	STONE BRANDS RESTAURANT GROUP LLC **Natacha Desir**	**2600 NW Federal Highway** **Stuart, FL 34994**	**561-628-5284**
	SWFL BURG N SHAKE LLC **Shana Jenkins**	**2620 Pine Ridge Road** **Naples, FL 34109**	**239-258-2050**
	TERESA GRACE & ASSOCIATES LLC **Teresa Grace**	**927 Saxon Blvd.** **Orange City, FL 32763**	**386-675-3353**
	THE GONZALEZ FRANCHISE INC **Oscar Gonzalez**	**1651 West New Haven** **West Melbourne, FL 32909**	**323-440-6361**
	THE OUTLER'S LLC **Lavasia Outler**	**7101 West Colonial Blvd.** **Orlando, FL 32818**	**561-900-5184**
	THONYCHA TWIST LLC **Thonesia Douglas**	**3980 Wedgewood Lane** **The Villages, FL**	**352-208-2027**
	TIMCELY THOMPSON LLC **Tim Thompson**	**12035 East Colonial Drive** **Orlando, FL 32826**	**407-314-2349**

	TONY'S BURGER KINGDOM LLC **Antonio Desouza**	**8950 Colonial Center Drive** **Ft. Myers, FL 33905**	**718-598-0078**
	VILLMESH LLC **Hilda Vill alva**	**5790 South University Drive** **Davie, FL**	**954-487-7571**
	VZK USA, LLC **Vladimir Rodriguez**	**4120 State Road 7** **Coral Springs, FL 33067**	**859-550-7816**
	WOODEN WAY **Avis Wooden**	**3714 SW 42nd Street** **Gainesville, FL 32608**	**352-292-5554**
	ZAITZ LLC **Isaiah Zaitz**	**1940 94th Court** **Vero Beach, FL 32966**	**321-482-1944**
GEORGIA			
	BRIAN EDWARD WEBB LLC **Brian Webb**	**2905 Stonecrest Circle** **Lithonia, GA 30038**	**404-908-9290**
	CASON TEAM LLC **Doug Cason**	**820 Lawrenceville Suwanee Road** **Lawrenceville, GA**	**770-906-7760**
	CITY WIDE HOSPITALITY LLC **Scott Brown**	**2736 Cobb Parkway NW** **Smyrna, GA 30080**	**678-216-2327**
	F AND M RESTAURANT GROUP, LLC **Fatima Graham**	**1249 Bullsboro Drive** **Newnan, GA 30265**	**850-284-6009**
	FRESHER JP BURGERS LLC **Jorge Leon**	**4429 Old Union Road** **Tifton, GA 31794**	**229-886-0998**
	HILSON HOSPITALITY INCORPORATED **Ivory Hilson**	**2118 Mt. Zion Parkway** **Morrow, GA 30260**	**470-338-0540**
	M & M NEW GENERATION ENTERPRISE LLC **Michelle Matthews**	**4835 Jimmy Lee Parkway** **Hiram, GA 30141**	**770-871-8942**
	PJ&T ENTERPRISE LLC **Jeffery Tubbs**	**1610 Scenic Highway SW** **Snellville, GA 30078**	**770-617-2429**
	SMB BRANDS LIMITED CO. **Shannon Bufford**	**2839 North Druid Hills Road** **Atlanta, GA +**	**470-696-3070**

	TCMLOGAN LLC **Tony Streeter**	**3370 Buford Drive** **Buford, GA 30519**	**404-387-4147**
	TRIPLEC LLC **Chris Tyson**	**2355 North Point Court** **Alpharetta, GA 30022**	**678-531-4174**
	ZAMM EATS LLC **Aurangzeb Khan**	**825 Barrett Parkway** **Kennessaw, GA 30144**	**404-863-1394**
ILLINOIS			
	2KIDSFROM LLC **John Hibbler**	**606 North Bluff** **Collinsville, IL 62234**	**314-420-3269**
	3XK LLC **Ken Rogers**	**16110 Harlem Avenue** **Tinley Park, IL 60477**	**626-393-5810**
	BOSS LADY 0364 LLC **Orlandia Falcon**	**10421 Touhy Avenue** **Rosemont, IL 60018**	**630-715-7537**
	BREWER ENTERPRISES LLC **Paul Brewer**	**1568 West Lane Road** **Mechesney Park, IL**	**847-840-6718**
	FINEWAVE LLC **Keith Trundley**	**2209 Oakton Street** **Evanston, IL 60202**	**773-469-0793**
	MARTENS, INC. **Paul Martens**	**6070 Gurnee Mills Circle East** **Gurnee, IL 60031**	**847-721-6467**
	MOLOMO LLC **Michael Ohrwall**	**7561 East State Street** **Rockford, IL 61108**	**309-660-7100**
	N ROGERS LLC **Nick Rogers**	**3229 North University** **Peoria, IL 61604**	**309-513-1333**
	P&H FRESH LLC **Misty Pease**	**1211 North Keller** **Effingham, IL**	**618-367-9008**
	RNS HALL, LLC **Sherlyn Hall**	**1400 Broadway Avenue E** **Mattoon, IL 61938**	**217-273-2513**

	SCAGGS - WELLS AND FAMILY, LLC **Chris Scaggs**	**408 South Gilbert Street** **Danville, IL 61832**	**217-213-9342**
	SHAKES WITH MEALS INC. **Bogdana Buzdugan**	**675 Meacham Rd.** **Elk Grove Village, IL 60007**	**947-962-5182**
	STRAY KITTENS & CATS, INC. **Nancy Drzewiecki**	**4240 Venture Drive** **Peru, IL 61354**	**815-252-3080**
	SULINCKAS FAMILY LLC **Scott Sulinckas**	**1825 Barrington Rd.** **Hoffman Estates, IL 60169**	**630-881-6579**
	TRES HERMANOS RESTAURANT INC. **Ruben Perez Pulido**	**275 East Army Trail Road** **Glendale Heights, IL 60139**	**244-633-6092**
INDIANA			
	AJEDEIRTH LLC **Richard Deirth**	**10701 East Washington Street** **Indianapolis, IN 46229**	**317-333-4441**
	BARFIELD LLC **Austin Barfield**	**6019 Illinois Road** **Fort Wayne, IN 46804**	**260-557-8973**
	BAUM BURGERS LLC **Todd Baumann**	**7960 US 31 South** **Indianapolis, IN 46227**	**317-480-0282**
	BROCK'S BURGERS LLC **Brock Stevenson**	**16902 Clover Road** **Noblesville, IN 46060**	**317-432-4337**
	CORTES GROUP LLC **Greer Cortes**	**11040 Pendleton Pike** **Indianapolis, IN 46236**	**317-966-0772**
	DLT861, LLC **Danielle Tinsley**	**861 Eads Parkway** **Lawrenceburg, IN 47025**	**812-290-5936**
	FOOD IS FOOD LLC **James Gooley**	**5360 North Keystone Avenue** **Indianapolis, IN 46220**	**317-418-1607**
	GAL 6:9 LLC **Brian Gray**	**2101 Liberty Drive** **Bloomington, IL**	**620-899-8185**

	H & S BURGERS LLC **Howard Readus**	**8640 North Michigan Road** **Indianapolis, IN 46268**	**317-531-9223**
	JBR SNS LLC **Keith Mitchell**	**312 N. U.S. 41** **Schererville, IN 46375**	**219-895-8994**
	LANDA GROUP LLC **Orive Landa Bustamante**	**1640 S. U.S. Highway 231** **Crawfordsville, IN 47933**	**765-588-7578**
	MANRIQUEZ GROUP LLC **Jose Cortes**	**5827 East 71st Street** **Indianapolis, IN 46220**	**317-979-2591**
	MCB SNS, LLC **Prentice Shaw**	**720 West 81st Street** **Merrillville, IN 46410**	**708-691-3409**
	MELVIN ECHO LLC **Tamara Beachy**	**518 Essex Drive** **Kokomo, IN 46901**	**765-432-4227**
	PALM CAFETERIA LLC **Dondi Strahla**	**520 North Town Center Road** **Mooresville, IN**	**317-474-0060**
	S&T BROCK LLC **Anthony Brock**	**1015 James Avenue** **Bedford, IN 47421**	**812-797-9570**
	S AND Z1, LLC **Tony Rafiei**	**5303 Coldwater Road** **Ft. Wayne, IN 46825**	**260-580-5420**
	SHAKE EM UP, LLC **Vanessa Dunn**	**2900 South Third Street** **Terre Haute, IN 47802**	**217-799-8252**
	SHAKEY LYNNES'S LLC **Stacia Williams**	**3250 Cassopolis Street** **Elkhart, IN 46514**	**574-703-4136**
	SIZZLE & SERVE LLC **Shawn Perrin**	**5402 Meijer Drive** **Ft. Wayne, IN**	**260-602-1743**
	SOJOCO LLC **Jaime Kite**	**247 West Smith Valley Road** **Greenwood, IN 46142**	**317-698-3944**
	STIGALLIN, LLC **Jacob Stigall**	**200 Meijer Way** **Lafayette, IN**	**765-225-7590**
	TEAM CLARKSVILLE SNS LLC **Kevin Cruz**	**980 State Rd. 131** **Clarksville, IN 47129**	**270-319-9670**

	WESTFALL ENTERPRISE LLC **Zach Westfall**	**3350 North Morrison Road** **Muncie, IN**	**765-405-9447**
	WIN HOSPITALITY LLC **William Nicol**	**11665 Commercial Drive** **Fishers, IN 46038**	**317-919-5940**
IOWA			
	MELS SNS LLC **Melinda Sandlin**	**2806 Commerce Drive** **Coralville, IA 52241**	**319-929-6905**
KENTUCKY			
	CASILDO RESTAURANT SERVICES LLC **Rick Collins**	**1832 Alysheba Way** **Lexington, KY 40509**	**606-679-5952**
	CRAWFORD ACCLAIM INC **Nehemiah Crawford**	**335 Leonardwood Drive** **Frankfort, KY 40602**	**502-735-7521**
	DUNAMIS ENTERPRISE, LLC **Michael Boutot**	**7485 Foltz Drive** **Florence, KY 41042**	**662-322-6713**
	JIRE4US, LLC **Denise Greene**	**1680 Scottsville Rd.** **Bowling Green, KY 42104**	**270-783-9260**
	LOVE BURGERS, LLC **Kaitlyn Love**	**2717 Hurstbourne Parkway** **Louisville, KY 40220**	**615-707-0116**
	SLM BURGERS AND SHAKES LLC **Stephanie Morgerson**	**2001 Colby Taylor Drive** **Richmond, KY 40476**	**859-492-0792**
	T&D MEDLEY LLC **Taunya Medley**	**5131 Hinkleville Road** **Paducah, KY 42001**	**618-250-7172**
	THE LOOP SNS LLC **Tanya Moorman**	**4545 Outer Loop Road** **Louisville, KY**	**270-219-9359**
	THOMPSON RISING L.L.C. **Donnie Thompson**	**104 Magnolia Drive** **Georgetown, KY 40324**	**502-863-6832**
	TRIPPETT HOSPITALITY GROUP LLC **Sharon Trippett**	**1627 North Dixie Blvd.** **Elizabethtown, KY 42701**	**859-948-9407**

MICHIGAN			
	AJ'S CLASSICS, LLC **Ana Johnson**	**6259 Kalamazoo Avenue** **Kentwood, MI 49508**	**616-389-9876**
	D MARIE BURGERS LLC **Dena Henry**	**5342 South Westnedge Avenue** **Portage, MI 49008**	**574-347-1364**
	FLIPPONEBURGERS LLC **Dan Flippone**	**5990 Beckley Road** **Battlecreek, MI**	**732-670-7024**
	GALLOUPER1BURGERS LLC **Anthony Galloup**	**5371 West Main Street** **Kalamazoo, MI 49009**	**269-339-2631**
	LEDGER LLC **Sarah Ledger**	**3488 Alpine Avenue** **Grand Rapids, MI**	**616-894-7654**
	SKEWERS MEDITERRANEAN GRILL, LLC **Tarek Hissy**	**4120 Ellsworth Road** **Ypsilanti, MI 48197**	**313-333-4992**
MISSOURI			
	BKM ENTERPRISE, LLC **Briant Mitchell**	**11035 Bellefontaine Road** **St. Louis, MO 63138**	**314-610-6383**
	CJ&R ASSOCIATES LLC **Colleen O'Connor**	**1460 Jungerman Road** **St. Peters, MO 63376**	**636-279-9608**
	DKD ASSOCIATES LLC **Denise Quinn**	**10911 New Halls Ferry Road** **Ferguson, MO 63135**	**314-406-2522**
	FRANKLIN ASSOCIATES LLC **Ricardo Franklin**	**1134 Pearce Blvd.** **Wentzville, MO 63385**	**314-280-9205**
	H & H HAMBURGERS INC. **Janette Hamilton**	**4640 Chippewa** **St. Louis, MO 63116**	**314-452-8480**
	IPHY LLC **Christina Sanchez**	**3101 Phoenix Center Drive** **Washington, MO 63090**	**314-412-1908**
	KAY DAVIS LLC **Krystal Davis**	**120 Arnold Crossroads Center** **Arnold, MO 63010**	**636-633-1834**

	LGIA BUNTING, LLC **Blufford Bunting**	**3226 Telegraph Road** **St. Louis, MO 63125**	**314-922-3907**
	LIVINGSTON LLC **Anthony Livingston**	**8609 Watson Road** **St. Louis, MO 63119**	**314-409-3498**
	MY SHAKE 48, LLC **Sonya Shryock**	**2221 First Capitol Drive** **St. Charles, MO 63302**	**636-887-5549**
	OCV MANAGEMENT INC. **Richard Payne**	**9550 Natural Bridge Road** **St. Louis, MO 63134**	**314-600-2472**
	THE BOLDEN GROUP, LLC **Rodney Bolden**	**3549 North Lindbergh** **St. Louis, MO 63074**	**314-518-1324**
	THE PRESTON GROUP LLC **Press McDowell**	**1253 Hampton Avenue** **St. Louis, MO 63130**	**314-651-1433**
	V&R LOUIS LLC **Vital Louis**	**9500 North East Barry Road** **Kansas City, MO**	**816-661-5843**
NORTH CAROLINA			
	GOLD STANDARD BURGERS LLC **Joshua McLeroy**	**9700 South Blvd.** **Charlotte, NC 28273**	**704-560-9547**
	MANNINO & ASSOCIATES, INC. **Philip Mannino**	**8511 Concord Mills Blvd.** **Concord, NC 28027**	**704-964-7871**
	SMITH'S BURGERS AND SHAKES, LLC **Jeremy Smith**	**635 River Highway** **Mooresville, NC 28117**	**864-266-8811**
	SONN HOSPITALITY LLC **James Mack**	**1926 Sardis Road** **Charlotte, NC 28269**	**910-224-1645**
	TCHEWETT.LLC **Tracy Duncan**	**2291 Spider Dr.** **Kannapolis, NC 28083**	**704-685-5529**
OHIO			
	ADNDRN INC. LLC **April Norris-Nelson**	**914 Zane Street** **Zanesville, OH**	**740-819-3378**

	COLOPY ENTERPRISES LLC **Samuel Colopy**	**889 North Bridge Street** **Chillicothe, OH 45601**	**740-701-9192**
	CP17MONEYVENTURES LLC **Cominique Parchman**	**5555 Youngstown Warren Rd. Unit 35** **Niles, OH 44446**	**724-685-9048**
	DSQRD LLC **Dennis Donnelly**	**6880 Ridge Road** **Parma, OH 44129**	**440-785-9962**
	KATHYS DINER LLC **Kathleen Phillips**	**3615 N. Ridge East** **Ashtabula, OH 44004**	**440-415-3526**
	KATJOHNSON, LLC **Kimberly Johnson**	**8311 Old Troy Pike** **Huber Heights, OH 45424**	**937-765-0578**
	MARK ONEIL LLC **Mark O'Neil**	**1684 Home Avenue** **Akron, OH 44310**	**614-565-4333**
	MEADORS COMPANIES LLC **Justin Meadors**	**4047 Morse Crossing** **Columbus, OH 43219**	**917-873-9030**
	PARAGON ASSETS LLC **Yvette Henderson**	**831 Clepper Lane** **Cincinnati, OH 45245**	**859-609-1647**
	PG WORLD WIDE, LLC **Nicholas Hrehor**	**6786 Applewood Blvd.** **Boardman, OH 44512**	**330-519-2233**
	PHELPS VENTURES LLC **Christopher Phelps**	**6380 Wilmington Pike** **Dayton, OH 45459**	**937-380-5699**
	PIONEER STRATEGIES LLC **Jacob Brian Stephens**	**10181 Colerain Avenue** **Cincinnati, OH 45251**	**864-909-3398**
	SEIKEL ENTERPRISES, LLC **Kelly Seikel**	**1881 Polaris Parkway** **Columbus, OH 43240**	**614-323-5704**
	SHAMIST ENTERPRISES LLC **Shaun Brooks**	**5995 Sawmill Rd.** **Dublin, OH 43017**	**614-589-4868**
	TIPHANII & CO LLC **Tiphanii Meadors**	**2081 Marion-Mt. Gilead Road** **Marion, OH 43302**	**917-513-0304**

	TLJ INCORPORATED **Taunya Johnson**	**50840 Valley Frontage Rd.** **St. Clairsville, OH 43950**	**740-819-0916**
	VERHOVEC ENTERPRISES LTD **John Verhovec**	**1780 Hill Road North** **Pickerington, OH 43147**	**614-402-2414**
	VICTOR 459 LLC **Benjamin Williams**	**1487 Victor Road** **Lancaster, OH 43130**	**740-974-5568**
TENNESSEE			
	BKCD HOSPITALITY LLC **Christina Morgan**	**207 Anderson Lane** **Hendersonville, TN 37075**	**319-531-4175**
	JVS RESTAURANT SERVICES, LLC **Carlos Rodriguez**	**5426 Target Drive** **Nashville, TN 37013**	**423-509-7096**
	MAIDEN DINING ENTERPRISES, LLC **Keon Maiden**	**719 Myatt Drive** **Madison, TN 37115**	**205-246-4077**
	MICNN LLC **Michael Hernandez**	**2819C Wilma Rudolph** **Clarksville, TN 37040**	**915-422-6546**
	SAM RS, LLC **Robert Negley**	**1125 Interstate Drive** **Cookeville, TN 38501**	**214-250-4293**
	THREE C BURGER JOINT, LLC **James Coleman**	**4040 North Carothers Road** **Franklin, TN 37067**	**615-415-8755**
	TITAN FOODS, LLC **Jeffrey LeBlanc**	**5006 Crossings Circle** **Mt. Juliet, TN**	**423-946-5313**
	WEILL INC **David Weill**	**2091 Old Fort Parkway** **Murfreesboro, TN 37129**	**901-240-4138**
TEXAS			
	BEACON HOUSE SERVICES LLC **Sharoon Sher**	**429 Coit Road** **Plano, TX 75075**	**469-432-2322**

	DENT DEVELOPER LIMITED LIABILITY COMPANY **Amer Abbasi**	**5020 Overton Ridge Blvd.** **Ft. Worth, TX 76132**	**346-907-9391**
	DICKSON FRISCO TX LLC **Mike Dickson**	**3440 Preston Road** **Frisco, TX**	**601-941-6433**
	DP INVESTMENT HOLDINGS LLC **Dishant Patel**	**950 Market Place Boulevard** **Irving, TX 75063**	**940-597-0957**
	ONE CENTURION, INC. **David Resendez**	**2272 East Lamar Blvd.** **Arlington, TX 76006**	**972-282-0117**
	RESENDEZK, INC. **Kimberly Resendez**	**951 West Arbrook Drive** **Arlington, TX 76015**	**469-328-5501**
	ROMERO'S SERVING BUSINESS LLC **Robert Romero**	**5619 W Loop 1604 N Suite 105** **San Antonio, TX 78253**	**210-459-3089**

Franchisees who left the Steak n Shake System after December 27, 2023:

Pioneer College Caterers, Inc.	Campbellsville University Harrodsburg, KY	
Robert Rials	Delish!Brands, LLC Hattiesburg, MS	601-638-2115
Scott Smith	Smoky Mountain Diners I, LLC	606-877-9363
Dilshad Ali Samnani	A&I Shell Food Mart LLC	682-553-4819
Zaycor Management Company	Smith Texas College McAllen, TX	

If you buy a Steak n Shake By Biglari franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchise Partners who left the Steak n Shake System after December 25, 2024:

TAYLOR BRANDS LLC **Samuel Taylor**	**2775 Herman Darlage Drive,** **Columbus, IN 47201**	**405-998-1439**
DERBY CITY DREAMERS LLC **Austin Thompson**	**4545 Outer Loop Road,** **Louisville, KY 40219**	**502-701-2148**
MR E HOSPITALITY LLC **Emmanuel Taiwo**	**3440 Preston Road, Frisco,** **TX 75034**	**469-279-7777**
EAGLE NEST 1 ENTERPRISES LLC **Dawn Etheridge**	**10131 Bloomingdale Ave,** **Riverview, FL 33578**	**813-327-9773**
TITAN FOODS, LLC **Jeff LeBlanc**	**768 East State Road 44,** **Wildwood, FL 34785**	**423-946-5313**
MATRIX VIZIONZ LLC **Victor Alvarado**	**8101 Dr. Martin Luther King** **St., St. Petersburg, FL 33702**	**860-977-5379**
ERIA HOSPITALITY LLC **Eria Perez**	**443 North Semoran Blvd.,** **Winter Park, FL 32792**	**407-600-7477**
JDT23 LLC **Sabrina Terry**	**3906 South Florida Avenue,** **Lakeland, FL 33813**	**863-500-0433**
KAJA USA, LLC **Katherine Rodriguez**	**1610 SW 13th Street,** **Gainesville, FL 32608**	**407-280-0321**
SPRUNG 2021, LLC **Adam Ursprung**	**10721 Fischer Park Drive,** **Louisville, KY 40241**	**615-525-8946**
TIAMAR ENTERPRISES LLC **Marlon Holness**	**5790 South University Drive,** **Davie, FL 33328**	**954-263-8297**
J GROVES RESTAURANTS LLC **Jeremy Groves**	**1185 Gravois Road, Fenton,** **MO 63026**	**314-409-0124**
ARIA HOSPITALITY ENTERPRISES **Alok Shivpuri**	**578 East Interstate 30,** **Rockwall, TX 75087**	**407-202-7668**
KSS EVER AFTER LLC **Mitchell Shireman**	**3489 Court Street, Pekin, IL** **61554**	**309-218-3367**
BHEART SNS LLC **Tajuan Burkheart**	**1759 Stringtown Road, Grove** **City, OH 43123**	**614-893-1405**
45 PRIME CONCEPTS, LLC **John Durham**	**930 Buford Highway,** **Cumming, GA 30041**	**470-892-4333**

GREATER CHICAGOLAND FRANCHISE LLC **Mohammed N. Islam**	**1520 Ogden Avenue,** **Downer's Grove, IL 60515**	**773-314-7313**
AHLBRAND ASSETS L.L.C. **Bruce Ahlbrand**	**450 Mt. Zion Road, Florence,** **KY 41042**	**859-466-2749**
WAYMAKER 3:16 LLC **Vernon Butch Nelson**	**999 Veterans Blvd, Festus,** **MO 63028**	**636-375-1255**

If you buy a Steak n Shake By Biglari franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisee Transfers after December 25, 2024:

Sodexo Operations to Compass Group - Transfer Date: 6/28/2025

George Mason University, 4400 University Drive, Fairfax, VA

Franchise Partner Transfers after December 25, 2024:
NONE

Franchisee Store Closures after December 25, 2024:

A&I Shell Food Mart LLC	1110 E. Main Street, Midlothian, TX 76065	1/1/2025
Delish!Brands LLC	6153 US 98, Hattiesburg, MS 39402	5/12/2025
Aramark Food and Support	Mississippi State University, 75 B.S. Hood Road, Mississippi State, MS	5/13/2025
Sodexo Operations	Troy University, Troy, AL	5/16/2025
Woods Restaurant, L.C.	2519 Missouri Avenue, Jefferson City, MO 65109	6/3/2025
Druco Restaurants, Inc.	2004 North Bishop Avenue, Rolla, MO 65401	7/22/2025
Pioneer College Caterers, Inc.	Campbellsville University, 1150 Danville Rd., Harrodsburg, KY 40330	7/25/2025
Sodexo Operations	US House of Reps, 50 Independence Ave SW, Washington DC 20515	8/8/2025
Zaycor Management Company	South Texas College, 3201 W. Pecan Blvd., McAllen, TX 78501	9/24/2025
Smoky Mountain Diners I, LLC	1536 Parkway, Sevierville, TN 37862	11/13/2025

Sodexo Operations	Marshall University, 1 John Marshall Drive, Huntington, WV 25755	12/12/2025

Franchise Partner Store Closures after December 25, 2024:

Samuel Taylor	TAYLOR BRANDS LLC	2775 Herman Darlage Drive, Columbus, IN	1/2/2025
Austin Thompson	DERBY CITY DREAMERS LLC	4545 Outer Loop Road, Louisville, KY	1/2/2025
Emmanuel Taiwo	MR E HOSPITALITY LLC	3440 Preston Road, Frisco, TX	1/29/2025
Dawn Etheridge	EAGLE NEST 1 ENTERPRISES LLC	10131 Bloomingdale Ave, Riverview, FL	2/5/2025
Jeff LeBlanc	TITAN FOODS, LLC	768 East State Road 44, Wildwood, FL	2/9/2025
Victor Alvarado	MATRIX VIZIONZ LLC	8101 Dr. Martin Luther King St., St. Petersburg, FL	2/19/2025
Eria Perez	ERIA HOSPITALITY LLC	443 North Semoran Blvd., Winter Park, FL	2/26/2025
Sabrina Terry	JDT23 LLC	3906 South Florida Avenue, Lakeland, FL	3/12/2025
Katherine Rodriguez	KAJA USA, LLC	1610 SW 13th Street, Gainesville, FL	5/7/2025
Adam Ursprung	SPRUNG 2021, LLC	10721 Fischer Park Drive, Louisville, KY	6/28/2025
Marlon Holness	TIAMAR ENTERPRISES LLC	5790 South University Drive, Davie, FL	6/30/2025
Jeremy Groves	J GROVES RESTAURANTS LLC	1185 Gravois Road, Fenton, MO	7/22/2025
Alok Shivpuri	ARIA HOSPITALITY ENTERPRISES	578 East Interstate 30, Rockwall, TX	7/23/2025
Mitchell Shireman	KSS EVER AFTER LLC	3489 Court Street, Pekin, IL	8/8/2025
TJ Burkheart	BHEART SNS LLC	1759 Stringtown Road, Grove City, OH	8/21/2025
John Durham	45 PRIME CONCEPTS, LLC	930 Buford Highway, Cumming, GA	8/27/2025
Mohammed N. Islam	GREATER CHICAGOLAND FRANCHISE LLC	1520 Ogden Avenue, Downer's Grove, IL	11/1/2025
Bruce Ahlbrand	AHLBRAND ASSETS L.L.C.	450 Mt. Zion Road, Florence, KY	11/19/2025
Vernon Butch Nelson	WAYMAKER 3:16 LLC	999 Veterans Blvd, Festus, MO	12/16/2025

Franchisees who have not communicated with the Franchisor within 10 weeks of Issuance Date:

NONE

EXHIBIT D

See attached:

Steak n Shake Inc.'s Guarantee of Performance (all states except Maryland and Virginia)

Steak n Shake Inc.'s Guarantee of Performance (Maryland)

Steak n Shake Inc.'s Guarantee of Performance (Virginia)

Auditor's Consent – Maryland Consent and Other States Consent

Steak n Shake Inc.'s Guarantee of Performance
(all states except Maryland and Virginia)

SEE FOLLOWING PAGE

Exhibit D - Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, Steak n Shake Inc., an Indiana corporation located at 107 S. Pennsylvania Street, Suite 400, Indianapolis, Indiana 46204 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of Steak n Shake Enterprises, Inc., located at 107 Pennsylvania St., Suite 400, Indianapolis, Indiana 46204 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

Steak n Shake Inc. signs this guarantee at 107 S. Pennsylvania Street, Suite 400, Indianapolis, Indiana 46204, on the 8th day of May, 2026.

Guarantor: Steak n Shake Inc.

By: Steven L. May
Name: Steven L. May
Title: Chief Administrative Officer

Steak n Shake Inc.'s Guarantee of Performance (Maryland)

SEE FOLLOWING PAGE

STATE OF MARYLAND
Exhibit D – Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received Steak n Shake Inc., an Indiana corporation located at 107 S. Pennsylvania Street, Suite 400, Indianapolis, IN 46204, absolutely and unconditionally guarantees the performance by Steak n Shake Enterprises, Inc., located at 107 Pennsylvania St., Suite 400, Indianapolis, Indiana 46204, of all of the obligations of Steak n Shake Enterprises, Inc. under its franchise registration in the State of Maryland and of its Franchise Agreement. This guarantee continues until all obligations of Steak n Shake Enterprises, Inc. under the franchise registration and franchise agreement are satisfied. Steak n Shake Inc. is not discharged from liability if a claim by the franchisee against Steak n Shake Enterprises, Inc. remains outstanding. Notice of acceptance is waived. Notice of default on the part of Steak n Shake Enterprises, Inc. is not waived. This guarantee is binding on Steak n Shake Inc. and on its successors and assignees. Steak n Shake Inc. executes this guarantee at 107 S. Pennsylvania Street, Suite 400, Indianapolis, Indiana 46204, on the 8th day of MAY, 2026.

Guarantor: Steak n Shake Inc.

By: Steven L. May
Name: Steven L. May
Title: Chief Administrative Officer

Steak n Shake Inc.'s Guarantee of Performance (Virginia)

SEE FOLLOWING PAGE

STATE OF VIRGINIA

Exhibit D – Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, Steak n Shake Inc., an Indiana corporation located at 107 S. Pennsylvania Street, Suite 400, Indianapolis, Indiana 46204 ("Guarantor"), absolutely and unconditionally guarantees the performance by Steak n Shake Enterprises, Inc., located at 107 Pennsylvania St., Suite 400, Indianapolis, Indiana 46204 (the "Franchisor") of all of the obligations of the Franchisor under its franchise registration in the Commonwealth of Virginia, and of its Franchise Agreements executed after MAY 8, 2026.

This guarantee continues until all obligations of the Franchisor under its franchise registration and franchise agreements are satisfied. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Notice of default on the part of the Franchisor is not waived. This guarantee is binding on the Guarantor and its successors and assignees.

The Guarantor signs this guarantee at 107 S. Pennsylvania Street, Suite 400, Indianapolis, Indiana 46204, on the 8th day of MAY, 2026.

Guarantor: Steak n Shake Inc.

By: Steven L. May
Name: Steven L. May
Title: Chief Administrative Officer

Auditor's Consent – Maryland Consent and Other States Consent

SEE FOLLOWING PAGE

Deloitte.

Deloitte & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

Tel:+1 317 464 8600
Fax:+1 317 464 8500
www.deloitte.com

May 8, 2026

Steak n Shake Inc.
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204

Deloitte & Touche LLP consents to the use in the Franchise Disclosure Document issued by Steak n Shake Enterprises, Inc. ("Franchisor") on May 8, 2026, of our report dated May 8, 2026, relating to the consolidated financial statements of Franchisor's parent company, Steak n Shake Inc., as of December 31, 2025 and December 25, 2024, and for the fifty-three week period ended December 31, 2025 and the fifty-two week periods ended December 25, 2024 and December 27, 2023.

Deloitte & Touche LLP

Deloitte.

Deloitte & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

Tel:+1 317 464 8600
Fax:+1 317 464 8500
www.deloitte.com

May 8, 2026

Steak n Shake Inc.
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204

Independent Auditor's Acknowledgment

We agree to the inclusion in the Franchise Disclosure Document dated May 8, 2026, issued by Steak n Shake Enterprises, Inc. ("the Franchisor") of our report, dated May 8, 2026, relating to the consolidated financial statements of the Franchisor's parent company, Steak n Shake Inc., as of December 31, 2025 and December 25, 2024, and for the fifty-three week period ended December 31, 2025 and the fifty-two week periods ended December 25, 2024 and December 27, 2023.

Deloitte & Touche LLP

EXHIBIT E

SAMPLE MUTUAL RELEASE

THIS MUTUAL RELEASE (this "Mutual Release") is hereby entered into as of this ___day of _____, 20___ ("Effective Date") by and between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation ("Franchisor"); STEAK N SHAKE, LLC an Indiana limited liability company ("Licensor"); _____ ("Former Franchisee"), and _____, individually ("Guarantors").

RECITALS:

A. Franchisor and Former Franchisee entered a Unit Franchise Agreement dated _____ (the "Franchise Agreement") for the Steak n Shake Restaurant located at _____ ("Restaurant"), whereby Franchisor granted to Former Franchisee the right to operate Restaurant pursuant to the terms of the Franchise Agreement.

B. Licensor and Former Franchisee entered into a License Agreement dated _____("License Agreement") whereby Licensor granted to Former Franchisee a non-exclusive right to use the Steak n Shake trademarks and service marks for the duration of the Franchise Agreement;

C. Guarantors guaranteed the Former Franchisee's performance under the Franchise Agreement and License Agreement;

D. As part of the sale of the Restaurant, Former Franchisee is transferring all rights and obligations under the Franchise Agreement and License Agreement to _____ ("Assignee") effective as of 12:01 a.m. the ____ day of _____, 20__ (the "Transfer Date");

NOW THEREFORE, in consideration of the sum of Ten Dollars ($10.00) and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. Except as specifically provided otherwise herein, all capitalized terms shall have the meaning given in the Franchise Agreement.

2. Effective Date. This Mutual Release shall be deemed effective as of 12:01 a.m. on the Transfer Date.

3. Non-compete Covenant. Former Franchisee and Guarantors hereby agree that for a period of two (2) years, commencing on the effective date of the Transfer Date, Former Franchisee and Guarantors will not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Restaurant or any then-existing Steak n Shake or Steak n Shake By Biglari Restaurant. If Former Franchisee or Guarantor violate this post-term covenant, the covenant period of two (2) years shall be extended to commence on the date Former Franchisee or Guarantor first comply with such covenant so as to provide Franchisor with

the full benefit of the post-term covenant period uninterrupted by Former Franchisee's or Guarantor's interference.

4. Intentionally Omitted. .

5. Former Franchisee and Guarantors Release of Claims. In consideration of Franchisor's execution of the Consent to Transfer Agreement, this Mutual Release and consenting to the transfer of the Restaurant to Assignees, and for other good and valuable consideration, Former Franchisee, for itself, and all persons and entities claiming by, through or under it, hereby remises, releases, acquits, satisfies, and forever discharges the Franchisor and Licensor (and their past, present and future officers, directors, employees, attorneys, agents, servants, parents, subsidiaries, affiliates, and insurers, and their respective successors, predecessors, and assigns) (collectively, "Franchisor Releasees"), from any and all claims, obligations, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action, and any and all liabilities of whatever nature, liquidated or unliquidated, fixed, contingent, matured, unmatured, known or unknown, suspected or unsuspected, whether at law or equity, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership, or corporation, has, had or claims to have against the Franchisor Releasees, including, without limitation, any claims arising out of, or related to the offer, sale and/or operation of the Restaurant, and/or the parties' rights or obligations under the Franchise Agreement and/or License Agreement; provided, however, this Release shall not apply to Franchisor's indemnity obligations pursuant to Section 1.5 of the License Agreement, and all obligations set forth in this Mutual Release. Franchisor hereby acknowledges and agrees that the foregoing terms and conditions of the Franchise Agreement and License Agreement which are stated in such agreements as surviving termination or expiration of the Franchise Agreement and License Agreement shall remain in full force and effect.

6. Franchisor Release of Claims. Franchisor and Licensor hereby remise, release, acquit, satisfy, and forever discharge Former Franchisee (and its past, present and future officers, directors, employees, attorneys, agents, servants, parents, subsidiaries, affiliates, and insurers, and their respective successors, predecessors, and assigns (collectively, "Franchisee Releasees")) and Guarantors from any and all claims, obligations, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action, and any and all liabilities of whatever nature, liquidated or unliquidated, fixed, contingent, matured, unmatured, known or unknown, suspected or unsuspected, whether at law or equity, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership, or corporation, has, had or claims to have against the Franchisee Releasees including, without limitation, any claims related to, on account of, or arising out of the Franchise Agreement and/or License Agreement; provided, however, that this release shall not apply to any claims arising under or related to Former Franchisee's obligations pursuant to this Mutual Release and/or the terms of the Franchise Agreement, License Agreement and Personal Guaranty which expressly survive termination thereof, including but not limited to the following:

(a) Article 9 of the Franchise Agreement (Franchisee's Indemnity Obligations).

(b) Article 10 of the Franchise Agreement (Limitations on Use of Marks, Social Media; Restrictions on Confidential Information and Public Statements; Improvements to the System).

(c) Section 11.2 of the Franchise Agreement (Effect of Any Termination, Cancellation or Expiration of this Agreement)

(d) Those provisions of the Personal Covenants and Guaranty expressly surviving termination, including the restrictions on Confidential Information and Post Term Restrictions on Competing Business Interests.

7. Return of Proprietary Materials. Former Franchisee represents and warrants that as of the Transfer Date, Former Franchisee is no longer in possession of any operating manuals, training materials, plans, specifications, and other materials containing information prepared by Franchisor and relative to the Franchise System. Former Franchisee understands that the foregoing representation and warranty is a material inducement to Franchisor to enter into this Mutual Release. In the event that Franchisor shall subsequently discover that Former Franchisee is still in possession of any of the foregoing material, Former Franchisee shall immediately, upon discovery, return the material to Franchisor, at no expense to Franchisor. Such items are and shall remain the property of Franchisor.

8. Discontinue Use of Trademarks. Upon execution of this Mutual Release, Former Franchisee shall forthwith discontinue the use of the service marks in any manner whatsoever and all materials containing or bearing the same, including any duplicate copies thereof, and shall not thereafter operate or do business in any manner that might tend to give the public the impression that Former Franchisee is in any way associate or affiliated with Franchisor or any businesses conducted by Franchisor. Upon execution of this Mutual Release, Former Franchisee shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of Franchisor's trade secrets, procedures, techniques, or materials acquired by Former Franchisee by virtue of the former franchise relationship, including, without limitation, (i) all information contained in the operations manual, (ii) any training or other bulletins, instruction sheets or supplements thereto, and (iii) any equipment, videotapes, video discs, and forms for operation. Former Franchisee acknowledges that the foregoing materials are confidential trade secrets of Franchisor, that the use or duplication of such trade secrets shall constitute an unfair method of competition and that Franchisor shall suffer irreparable injury thereby.

9. Advice of Counsel. By initialing below, Former Franchisee and Guarantors acknowledge that each of them has read this Mutual Release, and has been advised by its legal counsel regarding this Mutual Release, and Former Franchisee and Guarantors are fully knowledgeable about and fully satisfied with the terms and provisions, and assume all obligations herein.

_____ (Initials of Former Franchisee) _____ (Initials of Guarantors)

10. Counterparts. This Mutual Release may be signed in multiple counterparts, each of which together shall make one document.

11. Construction and Interpretation.

a. The captions of each Section hereof are added as a matter of convenience only and shall be considered to be of no effect in the construction or interpretation of any provision or provisions of this Mutual Release.

b. The terms of this Mutual Release shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns.

c. This Mutual Release shall be governed by the laws of Indiana without regard to its conflict of laws rules. In the event of any conflict of law, the laws of the State of Indiana shall prevail (without regard to, and without giving effect to, the application of Indiana conflict of law rules). Former Franchisee acknowledges that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of this Mutual Release and any dispute related to or arising out of this Mutual Release or the parties' relationship. Former Franchisee further acknowledges the receipt and sufficiency of mutual consideration for such benefit. Former Franchisee, Franchisor and Licensor agree that any and all actions and other legal proceedings arising under this Mutual Release or otherwise as a result of the parties' relationship shall be filed and maintained only in a state or federal court of competent jurisdiction located in the State of Indiana, and the parties hereby consent, and waive any objections they might have, to the jurisdiction of and venue in such courts for the purpose of resolution of any such disputes **except to the extent that Former Franchisee's state Franchise Disclosure Law or comparable law, may require otherwise**.

d. Former Franchisee, Franchisor, and Licensor also agree that in the event that a court finds that a provision of this Mutual Release is not enforceable, the court shall strike the offending provision and the remainder of this Mutual Release shall be fully enforceable.

e. This Mutual Release contains the entire agreement and understanding of the parties and supersedes all prior negotiations and agreements regarding the subject matter hereof. This Mutual Release may be amended and modified only in a writing signed by each party to be bound by such amendment or modification.

f. In addition to all relief set forth above, in the event any suit or other action is commenced to construe or enforce any provision of this Agreement, the prevailing party, in addition to all other amounts such party shall be entitled to receive from the other party, shall be paid by the other party a reasonable sum for attorneys' fees and costs.

g. Whenever the singular or plural number, or masculine, feminine or neuter gender, is used herein, it shall equally include the other, and the terms and provisions of this instrument shall be construed accordingly. Whenever the singular or plural number, or masculine, feminine or neuter gender, is used herein, it shall equally include the other, and the terms and provisions of this instrument shall be construed accordingly.

IN WITNESS WHEREOF, this Mutual Release has been duly executed as of the Effective Date.

FRANCHISOR:
STEAK N SHAKE ENTERPRISES INC., an Indiana corporation

LICENSOR:
STEAK N SHAKE LLC, an Indiana limited liability company

By: Steak n Shake Inc, its sole member

By:

_____

Printed: Title:

FORMER FRANCHISEE:

By: _____

Printed:_____

Title: _____

GUARANTOR:

By: _____

Printed:_____

Title: _____

EXHIBIT F – FORM OF CONFIDENTIALITY AGREEMENT

In connection with discussions concerning a franchise agreement for the operation of a Steak n Shake By Biglari restaurant (the "Transaction"), you ("Recipient") have requested that the Franchisor, Steak n Shake Enterprises, Inc., and/or its parent company or subsidiaries (collectively, the "Franchisor"), provide you with a copy of the Franchisor's confidential Manual, which contains certain confidential information of a proprietary nature, including but not limited to methods of doing business (collectively the "Confidential Information "). In consideration of providing the Confidential Information to you, the Franchisor requests that you agree, and by signing below, you hereby agree to the following:

(1) Recipient will use the Confidential Information solely to further the purposes of the Transaction, and not for any other purpose. Whether or not disclosure of the Confidential Information is or may be in any way directly or indirectly detrimental to the Franchisor, Recipient will keep the Confidential Information confidential, except that Recipient may disclose the Confidential Information or portions thereof: (i) to Recipient's directors, officers, key employees, counsel, or other key advisors (the persons to whom such disclosure is permissible being collectively called "Representatives") who need to know the Confidential Information for the purpose of the Transaction, provided such Representatives expressly agree to be bound by the terms of this Agreement; (ii) to the extent required by statute, rule or regulation; and (iii) subject to paragraph (2) below, in connection with any legal or judicial process. Recipient agrees to be responsible for any breach of this Agreement by its Representatives.

(2) In the event that Recipient or any of its Representatives are requested or required (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, Recipient will provide the Franchisor with prompt prior written notice of such request or requirement so that the Franchisor may seek a protective order or other appropriate remedy and/or consent in writing to such disclosure. If Recipient or its Representatives are nonetheless, in the reasonable written opinion of their counsel, compelled to disclose the Confidential Information to any tribunal or else stand liable for contempt, Recipient or its Representatives may furnish only that portion of the Confidential Information that they are advised by written opinion of counsel is legally required; provided Recipient and/or its Representatives agree to exercise their best efforts to obtain an order or reasonable assurance that confidential treatment will be accorded such Confidential Information. Recipient and its Representative will not be liable for a disclosure to such tribunal meeting all of the foregoing requirements.

(3) The term "Confidential Information" does not include any Confidential Information that (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure in breach of this Agreement directly or indirectly by Recipient or its Representatives), (ii) was available to Recipient on a non-confidential basis from a source other than the Franchisor or its advisors, provided that such source is not and was not bound by a confidentiality agreement with

the Franchisor or (iii) has been independently acquired or developed by Recipient without violating any of its obligations under this Agreement.

(4) Without the prior written consent of the Franchisor, Recipient will not, and will direct its Representatives not to disclose the Confidential Information to any person other than those persons otherwise permitted to receive the Confidential Information pursuant to paragraph (1) of this Agreement. The term "person" as used in this Agreement will be interpreted broadly to include, without limitation, any corporation, company, partnership or individual.

(5) Recipient acknowledges that any breach of this Agreement may cause the Franchisor irreparable damage and hereby agrees that Franchisor shall be entitled to seek injunctive relief under this Agreement, without the necessity of proving actual damages or posting bonds, in addition to any other relief as may be granted by a court of competent jurisdiction. In addition to any injunctive relief awarded, Franchisor shall be entitled to any damages that it suffers as a result of Recipient and/or its Representatives breach of this Agreement. If any legal action is brought to enforce any obligations hereunder, the prevailing party shall be entitled to receive reasonable attorneys' fees, court costs and other collection expenses, in addition to any other relief it may receive.

(6) Recipient and its Representatives hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of Marion County, State of Indiana for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts), and further agree that service of any process, summons, notice or document by U.S. certified mail to your address set forth herein (or other address later provided in writing to the Franchisor at the Franchisor's address set forth herein) will be effective service of process for any action, suit or proceeding brought against Recipient and its Representatives in any such court. Recipient and its Representatives hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby, in the courts of the Marion County, State of Indiana and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(7) This Agreement will be governed by and construed in accordance with the laws of the State of Indiana without reference to principles on conflicts of laws.

(8) It is further understood and agreed that no failure or delay by the Franchisor in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise or any right, power or privilege hereunder.

(9) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including without limitation any person acquiring a majority or he outstanding equity securities of any such party.

(10) Any notice or communication permitted or required hereunder shall be in writing and shall be delivered in person or by courier, sent by email, or mailed by certified or registered mail, postage prepaid, return receipt requested, and addressed to the Recipient at the address set forth below and to the Franchisor at 107 S. Pennsylvania Street, Suite 400, Indianapolis, IN 46204, Attention: Director of Development, Franchise & Litigation Law, or to such other address as shall be given in accordance with this Section. If notice is given in person, by courier or by email, it shall be effective upon receipt; and if notice is given by mail, it shall be effective three (3) business days after deposit in the mail.

CONFIRMED AND AGREED as of the date and year written below:

Signed: _____
Printed Name:_____
Title:_____
Date: _____

Mailing Address:
_____
_____
Email: _____
Telephone: _____

EXHIBIT G
Financial Statements

Steak n Shake Inc.

Audited Consolidated Financial Statements as of December 31, 2025 and December 25, 2024 and for the fifty-three weeks ended December 31, 2025, and for the fifty-two weeks ended December 25, 2024 and December 27, 2023, and Independent Auditor's Report

Deloitte.

Deloitte & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

Tel:+1 317 464 8600
Fax:+1 317 464 8500
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholder of
Steak n Shake Inc.
Indianapolis, Indiana

Opinion

We have audited the consolidated financial statements of Steak n Shake Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and December 25, 2024, and the related consolidated statements of earnings, comprehensive income, shareholder's equity, and cash flows for the fifty-three week period ended December 31, 2025 and the fifty-two week periods ended December 25, 2024 and December 27, 2023, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and December 25, 2024, and the results of its operations and its cash flows for the fifty-three week period ended December 31, 2025 and the fifty-two week periods ended December 25, 2024 and December 27, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Related Party Transactions

As discussed in Note 9 to the consolidated financial statements, the Company has significant transactions with related parties that are fundamental to the users' understanding of these financial statements. The accompanying financial statements may not be indicative of the conditions that would have existed, or the results of operations that would have occurred, had the Company operated without these related party transactions. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

May 8, 2026

STEAK N SHAKE INC.
(A Biglari Holdings Inc. Subsidiary)
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 31, 2025	December 25, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 8,601	$ 4,911
Receivables	10,321	15,095
Inventories	2,778	2,510
Assets held for sale	559	506
Other current assets	6,883	4,935
Total current assets	29,142	27,957
Property and equipment	247,178	245,749
Operating lease assets	34,936	29,948
Goodwill	14,827	14,755
Other intangible assets	7,862	6,944
Note receivable, due from affiliate	80,000	-
Other assets	2,673	2,918
Total assets	$ 416,618	$ 328,271
Liabilities and shareholder's equity		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 56,397	$ 45,159
Current portion of lease liabilities	12,741	13,376
Current portion of note payable	5,820	-
Total current liabilities	74,958	58,535
Deferred taxes	5,293	5,378
Lease obligations	93,435	87,317
Long-term note payable	213,920	-
Other liabilities	767	506
Total liabilities	388,373	151,736
Shareholder's equity		
Common stock — 1,000 shares authorized and outstanding	1	1
Additional paid-in capital	-	118,786
Retained earnings	29,475	60,118
Accumulated other comprehensive loss	(1,231)	(2,370)
Total shareholder's equity	28,245	176,535
Total liabilities and shareholder's equity	$ 416,618	$ 328,271

See accompanying Notes to Consolidated Financial Statements.

STEAK N SHAKE INC.
(A Biglari Holdings Inc. Subsidiary)
CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in thousands)

	2025 *53 Weeks*	2024 *52 Weeks*	2023 *52 Weeks*
Revenues	$ 270,002	$ 240,846	$ 239,956
Costs and Expenses			
Restaurant cost of sales	152,298	134,473	129,203
Selling, general and administrative	62,755	53,807	48,555
Impairments	1,251	107	3,947
Depreciation and amortization	26,686	26,935	26,964
Interest expense, net	8,859	5,425	5,117
	251,849	220,747	213,786
Earnings before income taxes	18,153	20,099	26,170
Income tax expense	5,521	5,829	5,715
Net earnings	$ 12,632	$ 14,270	$ 20,455

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in thousands)

	2025 *53 Weeks*	2024 *52 Weeks*	2023 *52 Weeks*
Net earnings	$ 12,632	$ 14,270	$ 20,455
Other comprehensive income (loss):			
Foreign currency translation	1,139	(565)	333
Total comprehensive income	$ 13,771	$ 13,705	$ 20,788

See accompanying Notes to Consolidated Financial Statements.

STEAK N SHAKE INC.
(A Biglari Holdings Inc. Subsidiary)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	2025 *53 Weeks*	2024 *52 Weeks*	2023 *52 Weeks*
Operating activities			
Net earnings	$ 12,632	$ 14,270	$ 20,455
Adjustments to reconcile net earnings to operating cash flows:			
Depreciation and amortization	26,686	26,935	26,964
Provision for deferred income taxes	(335)	780	1,486
Asset impairments	1,251	107	3,947
Other non-cash expense	238	-	-
Gain on disposal of assets	(3,609)	(4,897)	(7,678)
Changes in receivables and inventories	4,369	1,176	5,083
Changes in other assets	(2,498)	(884)	(1,524)
Changes in accounts payable and accrued expenses	10,175	(53)	(9,823)
Net cash provided by operating activities	48,909	37,434	38,910
Investing activities			
Capital expenditures	(25,684)	(19,769)	(21,186)
Proceeds from property and equipment disposals	8,709	9,981	10,864
Note receivable, due from affiliate	(80,000)	-	-
Purchases of cryptocurrency held for investment	(63)	-	-
Net cash used in investing activities	(97,038)	(9,788)	(10,322)
Financing activities			
Borrowings on long-term debt	220,627	-	-
Return of capital to Biglari Holdings	(118,786)	(25,250)	(20,500)
Dividends to Biglari Holdings	(43,146)	-	-
Principal payments on long-term debt	(1,125)	-	-
Principal payments on direct financing lease obligations	(5,725)	(5,573)	(6,129)
Net cash provided by (used in) financing activities	51,845	(30,823)	(26,629)
Effect of exchange rate changes on cash	(39)	(24)	59
Increase (decrease) in cash, cash equivalents and restricted cash	3,677	(3,201)	2,018
Cash, cash equivalents and restricted cash at beginning of year	5,609	8,810	6,792
Cash, cash equivalents and restricted cash at end of year	$ 9,286	$ 5,609	$ 8,810

	2025 *53 Weeks*	2024 *52 Weeks*	2023 *52 Weeks*
Cash and cash equivalents	$ 8,601	$ 4,911	$ 7,497
Restricted cash	685	698	1,313
Cash, cash equivalents and restricted cash	$ 9,286	$ 5,609	$ 8,810

See accompanying Notes to Consolidated Financial Statements.

STEAK N SHAKE INC.
(A Biglari Holdings Inc. Subsidiary)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(dollars in thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 28, 2022	$ 1	$ 170,545	$ 25,393	$ (2,138)	$ 193,801
Net earnings	-	-	20,455	-	20,455
Return of capital to Biglari Holdings	-	(20,500)	-	-	(20,500)
Property transferred to Biglari Holdings, net of tax	-	(5,335)	-	-	(5,335)
Other comprehensive income	-	-	-	333	333
Balance at December 27, 2023	$ 1	$ 144,710	$ 45,848	$ (1,805)	$ 188,754
Net earnings	-	-	14,270	-	14,270
Return of capital to Biglari Holdings	-	(25,250)	-	-	(25,250)
Property transferred to Biglari Holdings, net of tax	-	(674)	-	-	(674)
Other comprehensive loss	-	-	-	(565)	(565)
Balance at December 25, 2024	$ 1	$ 118,786	$ 60,118	$ (2,370)	$ 176,535
Net earnings	-	-	12,632	-	12,632
Return of capital to Biglari Holdings	-	(118,786)	-	-	(118,786)
Property transferred to Biglari Holdings, net of tax	-	-	(129)	-	(129)
Cash dividends to Parent	-	-	(43,146)	-	(43,146)
Other comprehensive income	-	-	-	1,139	1,139
Balance at December 31, 2025	$ 1	-	$ 29,475	$ (1,231)	$ 28,245

See accompanying Notes to Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business — Steak n Shake Inc. ("Steak n Shake", "Company", "we", "us", "our") is a wholly-owned subsidiary of The Steak n Shake Company. The Steak n Shake Company is a wholly owned subsidiary of Biglari Holdings Inc. Steak n Shake's principal business is franchising and operating restaurants.

Steak n Shake had 405 and 426 company-operated and franchise restaurants as of December 31, 2025, and December 25, 2024, respectively.

	Company-operated	Franchise Partner	Traditional Franchise
Stores on December 25, 2024	146	173	107
Corporate stores transitioned	(7)	7	-
Net restaurants closed	(7)	(1)	(13)
Stores on December 31, 2025	132	179	94

As of December 31, 2025 and December 25, 2024, 8 and 10, respectively, of the company-operated stores were closed.

Fiscal Year — This report includes consolidated statements of earnings, statements of comprehensive income, statements of cash flows and statements of shareholder's equity for the fifty-three weeks ended December 31, 2025 ("2025"), and the fifty-two weeks ended December 25, 2024 and December 27, 2023 ("2024" and "2023", respectively), and consolidated balance sheets as of December 31, 2025 and December 25, 2024.

Principles of Consolidation — The consolidated financial statements include the accounts of Steak n Shake and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Restricted Cash — Cash equivalents primarily consist of U.S. Government securities and money market accounts, all of which have original maturities of three months or less. The statement of cash flows includes restricted cash. The restricted cash is a cash equivalent that had an original maturity of 36 months as of December 25, 2024 and was renewed during 2025 with a maturity of 12 months. All cash equivalents are carried at fair value and are classified within Level 1 of the fair value hierarchy. See Note 11.

Receivables — Our accounts receivable balance consists primarily of receivables from franchisees, third-party service providers, and federal income taxes (see Note 6). We carry our accounts receivable at cost less an allowance for doubtful accounts, which is based on a history of past write-offs and collections and current credit conditions. Allowance for doubtful accounts was $3,541 and $2,994 as of December 31, 2025 and December 25, 2024, respectively.

Related-Party Note Receivable — The Company's related-party note receivable is recorded at its outstanding principal balance, plus accrued interest, as applicable. Interest income is recognized based on the contractual terms of the note. Management evaluates the collectability of the related-party note receivable on an ongoing basis, considering the financial condition of the related-party, payment history, and other relevant factors. An allowance for expected credit losses is recorded when deemed necessary based on management's estimate of amounts not expected to be collected.

Inventories — Inventories are valued at the lower of cost (first-in, first-out method) or net realizable value, and consist primarily of restaurant food items and supply inventory. The Company has a reserve for obsolete inventory in the amount of $22 and $29 as of December 31, 2025 and December 25, 2024, respectively.

Property and Equipment — Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized on the straight-line method over the estimated useful lives of the assets (10 to 30 years for buildings and land improvements, and 3 to 10 years for equipment). Leasehold improvements are amortized on the straight-line method over the shorter of the estimated useful lives of the improvements or the term of the related leases. Interest costs associated with the construction of new restaurants are capitalized. Major improvements are also capitalized while repairs and maintenance are expensed as incurred.

We review our long-lived assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For purposes of this assessment, assets are evaluated at the lowest level for which there are identifiable cash flows, which is generally at the individual restaurant level. Assets included in the impairment assessment generally consist of property, equipment and leasehold improvements directly associated with an individual restaurant as well as any related finance or operating lease assets. We test for impairment by comparing the carrying value of the asset to the undiscounted future cash flows expected to be generated by the asset. If the total estimated future undiscounted cash flows of an asset are less than the recorded value, an impairment is recorded for the difference between the carrying value and the estimated fair value of the asset. Determining the future cash flows expected to be generated by an asset requires significant judgment regarding future performance of the asset, fair market value if the asset were to be sold, and other financial and economic assumptions. Refer to Note 3 for information regarding impairment of long-lived assets.

Goodwill and Other Intangible Assets — Goodwill and indefinite life intangible assets are not amortized but are tested for potential impairment on an annual basis, or more often if events or circumstances change that could cause goodwill or indefinite life intangible assets to become impaired. We perform reviews for impairment of intangible assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated fair value is less than its carrying value. The valuation methodology and underlying financial information included in our determination of fair value requires significant managerial judgment. Based on a review of the qualitative factors, if we determine it is not more likely than not that the fair value is less than the carrying value, we may bypass the quantitative impairment test. We may also elect not to perform the qualitative assessment for the reporting unit or intangible assets and perform a quantitative impairment test instead. When an impairment is identified, we reduce the carrying value of the asset to its estimated fair value. Refer to Note 4 for information regarding our goodwill and other intangible assets.

Revenue Recognition — Revenues are disaggregated as follows.

	2025 *53 Weeks*	2024 *52 Weeks*	2023 *52 Weeks*
Net sales	$ 173,505	$ 150,690	$ 143,921
Franchise partner fees	76,478	70,616	72,552
Franchise royalties and fees	11,660	11,662	14,178
Other revenue	8,359	7,878	9,305
	$ 270,002	$ 240,846	$ 239,956

Net Sales
Net sales are composed of retail sales of food through company-operated stores. Company-operated store revenues are recognized, net of discounts and sales taxes, when our obligation to perform is satisfied at the point of sale. Sales taxes related to these sales are collected from customers and remitted to the appropriate taxing authority and are not reflected in the Company's consolidated statements of earnings as revenue.

Steak n Shake sells gift cards to customers which can be redeemed for retail food sales within our stores. Gift cards are recorded as deferred revenue when issued and are subsequently recorded as net sales upon redemption. During 2025, 2024 and 2023, Steak n Shake recognized $4,628, $4,224 and $5,276, respectively, of revenue recorded as net sales, from gift card redemptions. As of December 31, 2025 and December 25, 2024, Steak n Shake had deferred revenue recorded in accrued expenses related to unredeemed gift cards of $4,937 and $5,180, respectively. The Company expects to recognize $2,413 of gift card deferred revenue during 2026.

Franchise Partner Fees
Franchise partner fees are primarily composed of up to 15% of sales, 50% of profits, and rental income from leasing or subleasing the property and equipment to the franchise partner. We are therefore fully affected by the operating results of the business, unlike in a traditional franchising arrangement, where we as the franchisor obtain a royalty and marketing fee based on net sales only. We generate most of our franchise partner fee revenue from our share of the franchise partners' profits. Steak n Shake recognized $24,840, $24,131 and $27,569 of profit-sharing fees during 2025, 2024 and 2023, respectively. We recognized $13,316, $11,970 and $11,023 of franchise partner system fees based on a percentage of sales during 2025, 2024 and 2023, respectively. The Company leases or subleases property and equipment to franchise partners under lease arrangements. Both real estate and equipment rental payments are charged to franchise partners and are recognized in accordance with ASC 842, *"Leases"*. The Company recognized lease income of $23,428, $22,884 and $22,687 during 2025, 2024 and 2023, respectively. Other types of franchise partner fees totaling $14,894, $11,631 and $11,273 were recognized during 2025, 2024 and 2023, respectively.

The initial franchise partner fee of ten thousand dollars is recognized as deferred revenue when the operator becomes a franchise partner. The fee is then subsequently amortized monthly over the first calendar year of operations of the franchise partner. The Company recognizes franchise partner fees monthly as underlying restaurant sales occur.

Franchise Royalties and Fees
Franchise royalties from franchisees are based upon a percentage of sales of the franchise restaurant and are recognized as earned. Franchise royalties are billed on a weekly or monthly basis. Initial traditional franchise fees are recorded as deferred revenue when received and recognized as revenue over the term of the franchise agreement once a new restaurant opens or at the start of a new franchise term.

During 2025, 2024 and 2023, Steak n Shake recognized $330, $463 and $1,207, respectively, in revenue related to initial franchise fees. As of December 31, 2025 and December 25, 2024, Steak n Shake had deferred revenue recorded in accrued expenses related to franchise fees of $1,582 and $1,756, respectively. Steak n Shake expects to recognize $340 of franchise fee deferred revenue during 2026.

Our advertising arrangements with franchisees are reported in franchise royalties and fees. During 2025, 2024 and 2023, Steak n Shake recognized $3,448, $3,290 and $4,479, respectively, in revenue related to franchisee advertising fees. As of December 31, 2025 and December 25, 2024, Steak n Shake had deferred revenue recorded in accrued expenses related to franchisee advertising fees of $891 and $1,441, respectively. Steak n Shake expects to recognize approximately $780 of franchise advertising deferred revenue during 2026.

Other Revenue
Steak n Shake estimates breakage related to gift cards when the likelihood of redemption is remote. This estimate utilizes historical trends based on the vintage of the gift card. Breakage on gift cards is recorded as other revenue in proportion to the rate of gift card redemptions by vintage.

Other revenue relates primarily to food and other rebates, gift card inactivity fees, unredeemed gift cards and estimated breakage of unredeemed gift cards which totaled $7,013, $6,562 and $7,769 during 2025, 2024 and 2023, respectively. Other revenue also includes non-franchise partner rental income, and licensing agreements.

Restaurant Cost of Sales — Cost of sales includes the cost of food, paper and plastic, restaurant operating costs and restaurant occupancy costs such as rent, insurance and property taxes. Cost of sales excludes depreciation and amortization, which is presented as a separate line item in the consolidated statements of earnings.

Marketing Expense — Advertising costs are charged to expense at the later of the date the expenditure is incurred or the date the promotional item is first communicated. Marketing expenses of $17,914, $12,562 and $12,605 for the years 2025, 2024 and 2023, respectively, are included in selling, general and administrative expenses in the consolidated statements of earnings.

Insurance Reserves — We self-insure a significant portion of expected losses under our workers' compensation, general liability, auto, and medical liability insurance programs. We also record a reserve for our estimated losses on all unresolved open claims and our estimated incurred but not reported claims at the anticipated cost to us. Insurance reserves of $1,271 and $1,746 are recorded in accrued expenses in the consolidated balance sheets as of December 31, 2025 and December 25, 2024, respectively.

Savings Plans — The Company sponsors a 401(k), which is a defined contribution retirement plan. Employee contributions to the 401(k) plan are subject to regulatory limitations and specific plan provisions. Employer match expense was $479, $444 and $349 during 2025, 2024 and 2023, respectively.

Foreign Currency Translation — The Company has certain subsidiaries located in foreign jurisdictions. For subsidiaries whose functional currency is other than the U.S. dollar, the translation of functional currency statements to U.S. dollar statements uses end-of-period exchange rates for assets and liabilities, weighted average exchange rates for revenue and expenses, and historical rates for equity. The resulting currency translation adjustment is recorded in accumulated other comprehensive loss, as a component of equity.

Income Taxes — Biglari Holdings Inc. files consolidated income tax returns which include Steak n Shake; however, the Company's tax expense and liabilities as recorded have been computed on a separate basis. Deferred tax assets or liabilities are recorded based on differences between financial reporting and tax basis of assets and liabilities using currently enacted rates and laws that will be in effect when the differences are expected to reverse. We record deferred tax assets to the extent we believe there will be sufficient future taxable income to utilize those assets prior to their expiration. To the extent deferred tax assets are unable to be utilized, we would record a valuation allowance against the unrealizable amount and record that amount as a charge against earnings. Due to changing tax laws and state income tax rates, significant judgment is required to estimate the effective tax rate applicable to tax differences arising from reversal in the future. The Company must also make estimates about the sufficiency of taxable income in future periods to offset any deductions related to deferred tax assets currently recorded. Refer to Note 6 for information regarding income taxes.

Use of Estimates — Preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from the estimates.

New Accounting Standards – In December 2023, the Financial Accounting Standards Board ("FASB") issued authoritative guidance modifying the disclosure requirements for income tax. Notable changes in the new guidance include disaggregation of income tax information by jurisdiction and changes to the presentation of information for the reconciliation of effective tax rates. The guidance is effective for fiscal years beginning after December 15, 2025. We adopted this standard in 2025 and it did not have a material effect on our consolidated financial statements.

2. OTHER CURRENT ASSETS

	December 31, 2025	December 25, 2024
Deferred commissions on gift cards sold by third parties.....	$ 1,043	$ 1,136
Prepaid contractual obligations.....	5,840	3,799
Other current assets.....	$ 6,883	$ 4,935

3. PROPERTY AND EQUIPMENT

Property and equipment are composed of the following.

	December 31, 2025	December 25, 2024
Land	$ 121,478	$ 123,767
Buildings	153,779	145,644
Land and leasehold improvements	150,773	145,477
Equipment	208,500	209,000
Construction in progress	2,196	657
	636,726	624,545
Less accumulated depreciation and amortization	(389,548)	(378,796)
Property and equipment, net	$ 247,178	$ 245,749

Depreciation and amortization expense for property and equipment for 2025, 2024 and 2023 was $25,561, $25,489 and $25,459, respectively.

During 2025, 2024 and 2023, the Company recorded an impairment to long-lived assets of $1,251, $107 and $3,927, respectively, related to certain long-lived assets. The assets were written down to their estimated fair values, which were determined using discounted cash flow models and, where available, market-based inputs, such as quoted prices for the properties.

Also, during 2025 and 2024, the Company recognized net gains of $3,547 and $5,149, respectively, in connection with property sales, lease terminations, and asset disposals which are included in selling, general and administrative expenses in the consolidated statements of earnings.

The property and equipment cost related to finance obligations as of December 31, 2025 is as follows: $50,721 of buildings, $42,002 of land, $30,346 of land and improvements, and $65,161 of accumulated depreciation.

4. GOODWILL AND OTHER INTANGIBLES

Goodwill — Goodwill consists of the excess of the purchase price over the fair value of the net assets acquired in connection with business acquisitions. No goodwill was recorded for acquisitions during 2025, 2024 or 2023.

A reconciliation of the change in the carrying value of goodwill is as follows.

Balance as of December 27, 2023	
Goodwill	$ 15,123
Accumulated impairment losses	(334)
	$ 14,789
Change in foreign exchange rates during 2024	(34)
Goodwill at December 25, 2024	$ 14,755
Change in foreign exchange rates during 2025	72
Goodwill at December 31, 2025	$ 14,827

We evaluate goodwill and any indefinite-lived intangible assets for impairment annually, or more frequently if circumstances indicate impairment may have occurred. If the carrying value of a reporting unit exceeds the estimated fair value of the reporting unit, then the excess, limited to the carrying amount of goodwill, will be charged to earnings as an impairment loss of goodwill. If the carrying value of the indefinite-lived intangible asset exceeds fair value, the excess is charged to earnings as an impairment loss. GAAP allows entities testing for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit for the goodwill impairment test. For our 2025 annual goodwill impairment testing, we elected to perform qualitative assessments for our singular reporting unit. No indicators of impairment were noted. If a quantitative test were to be utilized for our reporting unit, fair value would be determined based on a calculation that considers an income approach utilizing the discounted cash flow method and to a market approach using the market comparable and market transaction methods. No impairment was recorded in 2025, 2024 and 2023.

Other Intangibles — A reconciliation of the change in the carrying value of intangible assets is as follows.

	December 31, 2025	December 25, 2024
Intangibles	$ 11,587	$ 10,732
Accumulated impairment losses	(3,788)	(3,788)
	$ 7,799	$ 6,944

Intangible assets with indefinite lives at December 27, 2023	$ 7,354
Change in foreign exchange rates during 2024	(410)
Intangible assets with indefinite lives at December 25, 2024	$ 6,944
Change in foreign exchange rates during 2025	855
Intangible assets with indefinite lives at December 31, 2025	$ 7,799

Intangible assets with indefinite lives consist of franchise rights and lease rights. There were no impairment charges during the fiscal years ending 2025 and 2024. $20 impairment charge was recorded for the lease rights in the fiscal year ending 2023. The impairment and fair value were determined using Level 3 inputs and available market data.

Intangible assets also include $63 of cryptocurrency that was collected in the ordinary course of business as receipt of net sales. The cryptocurrency is being held for investment purposes and is shown as an investing cash outflow on the consolidated statements of cash flows. The fair value of cryptocurrency was determined using Level 1 inputs. See Note 11.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include the following.

	December 31, 2025	December 25, 2024
Accounts payable	$ 29,157	$ 21,781
Salaries, wages, and vacation	3,856	2,593
Taxes payable	11,612	9,564
Insurance accruals	1,271	1,746
Gift card	4,937	5,180
Deferred revenue	2,665	3,464
Accrued interest on mortgage loan	1,642	-
Other	1,257	831
Accounts payable and accrued expenses	$ 56,397	$ 45,159

6. INCOME TAXES

The components of the provision for income taxes consist of the following.

	2025 *53 Weeks*
Current:	
Federal	$ 4,344
State	1,512
Total current	5,856
Deferred:	
Federal	(88)
State	(247)
Total deferred	(335)
Income tax expense	$ 5,521

	2024 *52 Weeks*	2023 *52 Weeks*
Current:		
Federal	$ 3,904	$ 3,772
State	1,145	457
Deferred	780	1,486
Income tax expense	$ 5,829	$ 5,715

The Company did not have a net tax expense or benefit on income from international operations. Income before income taxes derived from domestic operations during 2025, 2024 and 2023 were $21,870, $22,370 and $27,178, respectively. Losses before income taxes derived from international operations during 2025, 2024 and 2023 were $3,717, $2,271 and $1,008, respectively.

	2025 *53 Weeks*	
Reconciliation of effective income tax:		
Tax at U.S. statutory rates	$ 3,812	21.0%
State income taxes, net of federal benefit	824	4.5%
Foreign tax effects:		
Changes in valuation allowance	829	4.6%
Federal income tax credits	(159)	-0.9%
Nontaxable or nondeductible		
Other	11	0.1%
Changes in unrecognized tax benefits	204	1.1%
Income tax expense	$ 5,521	30.4%

There were no material effects from changes in tax laws or rates enacted in the current period or cross-border tax laws.

	2024 *52 Weeks*	2023 *52 Weeks*
Reconciliation of effective income tax:		
Tax at U.S. statutory rates	$ 4,116	$ 5,496
State income taxes, net of federal benefit	994	991
Federal income tax credits	(111)	(238)
Valuation allowance	673	252
Other	157	(786)
Income tax expense	$ 5,829	$ 5,715

As of December 31, 2025, the Company had approximately $767 of unrecognized tax benefits, including $150 of interest and penalties, which are included in other noncurrent liabilities in the consolidated balance sheet. As of December 25, 2024, the Company had approximately $506 of unrecognized tax benefits, including approximately $91 of interest and penalties, which are included in other noncurrent liabilities in the consolidated balance sheet. The Company's continuing practice is to recognize interest expense and penalties related to income tax matters in income tax expense. The current year unrecognized tax benefits of $767 would impact the effective income tax rate if recognized. Adjustments to the Company's unrecognized tax benefit for gross increases for current tax position, gross decreases for prior period tax positions and the lapse of statute of limitations during 2025, 2024 and 2023 were not significant.

The Company files income tax returns which are periodically audited by various foreign, federal, state, and local jurisdictions. The Company's federal tax filings and some state filings are completed on a consolidated basis with Biglari Holdings Inc. With a few exceptions, the Company is no longer subject to federal, state, and local tax examinations for years prior to 2022. The Company believes it has certain state income tax exposures related to 2022 through 2025. Because of the various state statutes of limitations for these years, unrecognized tax benefits will not change within the next 12 months.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company's deferred tax assets and liabilities consist of the following.

	December 31, 2025	December 25, 2024
Deferred tax assets:		
Insurance reserves	$ 305	$ 435
Compensation accruals	346	308
Gift card accruals	160	205
Net operating loss carryforward	15,146	16,595
Valuation allowance on net operating losses	(14,695)	(16,381)
Other	994	899
Total deferred tax assets	2,256	2,061
Deferred tax liabilities:		
Fixed asset basis difference	5,206	5,216
Goodwill and intangibles	2,343	2,223
Total deferred tax liabilities	7,549	7,439
Net deferred tax liability	$ (5,293)	$ (5,378)

We had foreign and state net operating loss carryforwards of $14,636 and $510, respectively, as of December 31, 2025. We had foreign and state net operating loss carryforwards of $16,322 and $273, respectively as of December 25, 2024. The foreign net operating loss carryforwards do not expire.

Federal income taxes receivable of $1,010 and $5,354 as of December 31, 2025 and December 25, 2024, respectively are included in receivables on the consolidated balance sheet. State and local income taxes payable of $2,369 and $1,203, as of December 31, 2025 and December 25, 2024, respectively, are included in accounts payable and accrued expenses on the consolidated balance sheet. We made no federal tax payments during 2025, 2024, and 2023, because the Company is not a U.S. federal income tax filer on a standalone basis. State income taxes paid, net of refunds, during 2025, 2024, and 2023 were $84, $85, and $61, respectively. State jurisdiction payments that make up more than 5% of the total state income taxes paid are not significant to our consolidated financial statements.

7. NOTE PAYABLE

Note payable includes the following:

	December 31, 2025	December 25, 2024
Current portion of note payable		
Note payable	$ 6,750	$ -
Unamortized debt issuance costs	(930)	-
Total current portion of note payable	$ 5,820	$ -
Long-term note payable		
Note payable	$ 217,125	$ -
Unamortized debt issuance costs	(3,205)	-
Total long-term note payable	$ 213,920	$ -

On September 30, 2025, Steak n Shake obtained a mortgage loan from a third-party for a principal amount of $225,000. The term of the loan is five years, with an interest rate fixed at 8.8% per annum, and the loan will be amortized at a rate of 3.0% per annum. The loan includes customary covenants as well as financial maintenance covenants and customary events of default. The note payable is secured by owned real estate of Steak n Shake. Proceeds from the mortgage loan, net of $4,373 of debt issuance costs, were distributed to Biglari Holdings Inc. Included in the $220,627 of proceeds distributed to Biglari Holdings Inc. is an $80,000 promissory note described further in Note 9. As of December 31, 2025, $219,740 of the note payable was outstanding.

Expected principal payments for the note payable as of December 31, 2025, are as follows:

2026	$ 6,750
2027	6,750
2028	6,750
2029	6,750
2030	196,875
Total note payable	$ 223,875
Less unamortized debt issuance costs	4,135
Total note payable, net	$ 219,740

	2025	2024	2023
Interest paid on debt	$ 3,296	$ -	$ -

8. LEASE OBLIGATIONS

Nature of Leases – The Company operates restaurants that are located on sites that are both owned and leased from third parties. In addition, the Company owns and leases sites from third parties that are leased and/or subleased to franchisees.

Lease obligations include the following.

	December 31, 2025	December 25, 2024
Finance lease liabilities	$ 1,233	$ 1,250
Finance obligations	4,486	4,664
Operating lease liabilities	7,022	7,462
Total current portion of lease obligations	$ 12,741	$ 13,376
Finance lease liabilities	6,157	2,747
Finance obligations	57,881	60,386
Operating lease liabilities	29,397	24,184
Total long-term lease obligations	$ 93,435	$ 87,317

	2025	2024	2023
Interest paid on lease obligations	$ 5,421	$ 5,361	$ 5,114

Lease Costs

We recognize fixed lease expense for operating leases on a straight-line basis over the lease term. For finance leases, we recognize amortization expense on the right-of-use asset and interest expense on the lease liability over the lease term.

Total lease cost consists of the following.

	2025	2024
Finance lease costs:		
Amortization of right-of-use assets	$ 1,057	$ 918
Interest on lease liabilities	537	320
Operating lease costs*	11,959	11,856
Sublease income	(11,040)	(11,895)
Total lease costs	$ 2,513	$ 1,199

**Includes variable lease costs*

Supplemental cash flow information related to leases is as follows.

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	$ 1,272	$ 1,225
Operating cash flows from finance leases	537	320
Operating cash flows from operating leases	9,759	9,551

Supplemental balance sheet information related to leases is as follows.

	December 31, 2025	December 25, 2024
Finance leases:		
Property and equipment, net	$ 6,420	$ 2,980

Weighted-average lease terms and discount rates are as follows:

	2025	2024
Weighted-average remaining lease terms:		
Finance leases	13.50 years	4.3 years
Operating leases	6.75 years	6.2 years
Weighted-average discount rates:		
Finance leases	7.0%	7.0%
Operating leases	7.0%	7.0%

Maturities of lease liabilities as of December 31, 2025 are as follows.

Year	Operating Leases	Finance Leases
2026	$ 9,306	$ 1,704
2027	7,395	1,422
2028	6,288	1,010
2029	5,494	755
2030	4,690	621
After 2030	12,714	6,203
Total lease payments	45,887	11,715
Less interest	9,468	4,325
Total lease liabilities	$ 36,419	$ 7,390

Rent expense is presented below.

	2025	2024	2023
Minimum rent	$ 11,887	$ 11,848	$ 12,272
Contingent rent	72	8	73
Rent expense	$ 11,959	$ 11,856	$ 12,345

Lease Income

The components of lease income are as follows.

	2025	2024	2023
Operating lease income	$ 15,388	$ 16,520	$ 16,238
Variable lease income	8,850	7,124	7,349
Total lease income	$ 24,238	$ 23,644	$ 23,587

The following table displays the Company's future minimum rental receipts for non-cancellable leases and subleases as of December 31, 2025. Franchise partner leases and subleases are short-term leases and have been excluded from the table.

	Operating Leases	
Year	Subleases	Owned Properties
2026	$ 622	$ 140
2027	544	140
2028	424	140
2029	338	140
2030	338	146
After 2030	19	687
Total future minimum receipts	$ 2,285	$ 1,393

9. RELATED PARTY TRANSACTIONS

Note Receivable due from affiliate – The Company has a promissory note with its parent company, the Steak n Shake Company. The Steak n Shake Company is a wholly owned subsidiary of Biglari Holdings Inc. The $80 million promissory note originated on September 30, 2025, and matures on the earlier of full payment of the note payable, or October 1, 2030. This interest only note carries an 8.80% interest rate per annum. Interest is paid from the Steak n Shake Company to the Company periodically at the discretion of the Steak n Shake Company with minimum frequencies of once per year during the calendar years 2026, 2027, 2028, and 2029. Interest income of $1,774, included in interest expense, net, in the consolidated statements of earnings, was recorded during 2025. The $80 million promissory note is presented as an investing cash outflow in the consolidated statements of cash flows.

Properties transferred to Biglari Real Estate Corporation, a wholly owned subsidiary of Biglari Holdings Inc. – During 2024, the Company transferred two permanently closed Steak n Shake company-operated restaurants to Biglari Real Estate Corporation which had a total net book value of $672. During 2023, the Company transferred six permanently closed Steak n Shake company-operated restaurants and two other owned properties to Biglari Real Estate Corporation which had a net book value of $4,965. The Company had a $129 and $372 basis difference in the properties transferred during 2024 and 2023, respectively, that was recorded as a deferred tax asset. The deferred tax assets were also transferred to Biglari Real Estate Corporation for which $129, $2 and $370 were recorded during 2025, 2024 and 2023, respectively.

The Company had the following related party transactions which are presented as financing activities in the consolidated statements of cash flows. During 2025, the Company paid as a return of capital to Biglari Holdings Inc. $118,786, of which $97,481 was from proceeds of the note payable. During 2025, the Company paid dividends of $43,146 to Biglari Holdings Inc. using proceeds from the note payable. During 2024, the Company paid as a return of capital to Biglari Holdings Inc. $25,250.

10. COMMITMENTS AND CONTINGENCIES

Purchase commitments – The Company has supply agreements with restaurant equipment providers that require minimum purchases by the Company and its franchisees agreed upon prices until the total volume commitments have been reached. We have also entered into various arrangements with vendors providing information technology or certain restaurant operation support services that are primarily due within three years and recorded as liabilities when services are rendered.

Legal matters - The Company is involved in various legal proceedings and has certain unresolved claims pending. The Company believes, based on examination of these matters and experiences to date, that the ultimate liability, if any, in excess of amounts already provided in the consolidated financial statements is not likely to have a material effect on the results of operations, financial position or cash flows.

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The hierarchy for measuring fair value consists of Levels 1 through 3, which are described below.

- Level 1 — Inputs represent unadjusted quoted prices for identical assets or liabilities exchanged in active markets.

- Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar assets or liabilities exchanged in active or inactive markets; quoted prices for identical assets or liabilities exchanged in inactive markets; other inputs that may be considered in fair value determinations of the assets or liabilities, such as interest rates and yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. Pricing evaluations generally reflect discounted expected future cash flows, which incorporate yield curves for instruments with similar characteristics, such as credit ratings, estimated durations and yields for other instruments of the issuer or entities in the same industry sector.

- Level 3 – Inputs include unobservable inputs used in the measurement of assets and liabilities. Management is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets or liabilities and we may be unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in pricing assets or liabilities.

The fair value of restricted cash was $685 and $698 as of December 31, 2025 and December 25, 2024, respectively. The restricted cash had an original maturity of 36 months as of December 25, 2024 that was renewed to an original maturity of 12 months as of December 31, 2025. The restricted cash is classified as an other noncurrent asset as of December 25, 2024 and December 31, 2025 as that asset is expected to be held on a long-term basis, as required by a third party. This cash equivalent is similar to a Certificate of Deposit ("CD") and is classified within Level 1 of the fair value hierarchy. The $63 of crypto assets held for investment is classified within Level 1 of the fair value hierarchy as such crypto assets trade on active markets with high-volume, quoted prices. There were no changes in Steak n Shake's valuation techniques used to measure fair value on a recurring basis.

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in the balances of each component of accumulated other comprehensive income (loss) were as follows.

	2025	2024	2023
Beginning Balance	$ (2,370)	$ (1,805)	$ (2,138)
Foreign currency translation adjustments	1,139	(565)	333
Ending Balance	$ (1,231)	$ (2,370)	$ (1,805)

13. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Capital expenditures in accounts payable as of December 31, 2025, December 25, 2024 and December 27, 2023 were $2,721, $1,696 and $2,250, respectively.

During 2025, the Company had new finance lease obligations of $3,137 and finance lease retirements of $1,001. During 2025, the Company had new right of use operating and finance lease liabilities of $13,560.

During 2024, the Company had new finance lease obligations of $9,651 and finance lease retirements of $1,554. During 2024, the Company had new right of use operating and finance lease liabilities of $10,189 and right of use operating and finance lease liability retirements of $273.

During 2023, the Company had new finance lease obligations of $4,114 and finance lease retirements of $523. During 2023, the Company had new right of use operating and finance lease liabilities of $8,136 and right of use operating and finance lease liability retirements of $1,532.

During 2025, the Company transferred deferred tax assets related to two properties transferred during 2024 to Biglari Real Estate Corporation, a related party. During 2023, the Company transferred a total of 8 properties, and the deferred tax assets associated with those properties to Biglari Real Estate Corporation. See Note 9.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for recognition or disclosure through the time of issuance of these consolidated financial statements on May 8, 2026.

EXHIBIT H

STATE SPECIFIC DISCLOSURES AND ADDENDUMS TO AGREEMENTS

CALIFORNIA
1. Addendum to Franchise Disclosure Document

HAWAII
1. Addendum to Franchise Disclosure Document

ILLINOIS
1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Agreement
3. Addendum to License Agreement
4. Addendum to Area Development Agreement

MARYLAND
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement
3. Addendum to Area Development Agreement
4. Guarantee Of Performance- State Of Maryland

MICHIGAN
1. Addendum to Franchise Disclosure Document and Franchise Agreement

MINNESOTA
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement
3. Addendum to Area Development Agreement

NEW YORK
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement
3. Addendum to License Agreement
4. Addendum to Area Development Agreement

N. DAKOTA
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement

RHODE ISLAND
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement
3. Addendum to License Agreement
4. Addendum to Area Development Agreement

VIRGINIA
1. Addendum to Franchise Disclosure Document
2. Guarantee Of Performance- Virginia
3. Addendum to Unit Franchise Agreement

WASHINGTON
1. Addendum to Franchise Disclosure Document
2. Addendum to Unit Franchise Agreement

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA

The Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in California:

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT. See the cover page of the disclosure document for our URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT .

2. **Item 3, Additional Disclosures**. The following statement is added to Item 3:

Neither we nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

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

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512, et seq. provides that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule order thereunder is void.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The Franchise Agreement requires payment of liquidated damages that are inconsistent with California Civil Code Section 1671, the liquidated damages may not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.), but we intend to enforce it to the extent enforceable.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision might not be enforceable under California law, but we intend to enforce it to the extent enforceable.

The Franchise Agreement may require mediation. The mediation will occur in Indianapolis, Indiana with the costs being borne by both parties. This provision might not be enforceable under California law, but we intend to enforce it to the extent enforceable.

The Franchise Agreement requires application of the laws of Indiana. This provision might not be enforceable under California law, but we intend to enforce it to the extent enforceable.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the California Franchise Relations Act and the California Franchise Investment Law are met independently without reference to this Disclosure Document.

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY HAWAII

The Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in HAWAII:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat.§§ 482E, et seq., are met independently without reference to this Addendum to the Disclosure Document.

Item 17 table for the Franchise Agreement is supplemented by adding the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SUPPLEMENTAL INFORMATION
[Required to be inserted by the State of Hawaii]

1. States in which this proposed registration application is effective: NONE
The registration is exempt from the registration requirements of the following states: California, Illinois, Indiana, Maryland, New York, North Dakota and Rhode Island.2. States in which this

proposed registration application is or will be shortly on file: Minnesota,Virginia, Washington and Wisconsin..

3. States that have refused to register this franchise offering: None.

4. States that have revoked or suspended the right to offer franchises: None.

5. States in which this proposed registration of these franchises has been withdrawn within the last five years, and the reasons for revocation or suspension: None.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the Hawaii Franchise Investment Law §§ 482E, et seq. are met independently without reference to this Addendum. This Addendum shall have no force or effect is such jurisdictional or other requirements are not me.

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY ILLINOIS

The Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in Illinois:

1. **Risk factors numbered one and two on the state cover page of the Disclosure Document are deleted in their entirety and replaced with the following:**

Risk Factors:

1. THE FRANCHISE AGREEMENT PERMITS STEAK N SHAKE AND THE FRANCHISEE TO BRING LEGAL ACTION ONLY IN ILLINOIS. IF YOU DO NOT LIVE IN ILLINOIS, OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE IN ILLINOIS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT. IF YOU DO NOT LIVE IN ILLINOIS, THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISK FACTORS REGARDING THIS FRANCHISE.

2. **The following information is added to the State Cover page of the Disclosure Document:**

THE NAME AND ADDRESS OF FRANCHISOR'S AGENT IN THE STATE OF ILLINOIS TO RECEIVE SERVICE OF PROCESS IS: ATTORNEY GENERAL, STATE OF ILLINOIS, 500 SOUTH SECOND STREET, SPRINGFIELD, ILLINOIS 62706.

3. **Item 17(v) in both the Franchise Agreement table, License Agreement table and the ADA table of the Disclosure Document is amended to include the following:**

However, any provision in the Franchise Agreement or Development Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act.

4. **Item 17(w) in both the Franchise Agreement table, License Agreement table and the ADA table of the Disclosure Document is amended to include the following:**

However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

5. **Item 17 table for the Franchise Agreement is supplemented by adding the following:**

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. **Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.**

7. **The following information is added to Item 23 (Receipt Pages) to the Disclosure Document :**

   SNS AUTHORIZES THE ATTORNEY GENERAL, STATE OF ILLINOIS, 500 SOUTH SECOND STREET, SPRINGFIELD, ILLINOIS 62706 TO RECEIVE SERVICE OF PROCESS FOR SNS.

8. **The following information is added after the list of exhibits contained in Item 23 (Receipt Pages) to the Disclosure Document:** Guaranty of Performance is on Record with the Office of the Attorney General for the State of Illinois.

ADDENDUM
TO FRANCHISE AGREEMENT

SPECIFIC DISCLOSURES REQUIRED BY ILLINOIS

This Franchise Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake Enterprises, Inc. (the "Franchisor") and _____, a _____(the "Franchisee").

WHEREAS, the Franchisor has granted to Franchisee a franchise (the "Franchise") for the operation of a Steak n Shake By Biglari Restaurant located at _____, _____ (city), _____ (state) (the "Restaurant") pursuant to a Unit Franchise Agreement (the "UFA") dated as of _____, _____, and

WHEREAS, the UFA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the UFA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the UFA).

1. Section 11.2 of the UFA shall be supplemented by the following language:

The conditions under which your Franchise Agreement can be terminated and your rights upon expiration of the Franchise Agreement may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

2. **Section 41 of the Illinois Franchise Disclosure Act states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this state is void with respect to any cause of action which otherwise is enforceable in this state, provided that a franchise agreement may provide for arbitration in a forum outside of this state."**

Accordingly, Sections 15.3 and 15.4 of the UFA are amended to add the following

"To the extent required by applicable Illinois law, this Section shall not in any way abrogate or reduce any rights of the franchisee specifically provided in the Illinois Franchise Disclosure Act."

3. Section 15.8 of the UFA is revised to add the following:

Notwithstanding the foregoing, any provisions in the Franchise Agreement waiving punitive damages or a jury trial shall be subject to Section 705/41 of the Illinois Franchise Disclosure Act that provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

6. By signing below, the parties mutually agree to the amendments to the specific provisions of the UFA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

"Franchisee"	"Franchisor"
By:_____	By:_____
Name:_____	Printed: Title:
Title:_____	

ADDENDUM TO LICENSE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY ILLINOIS

This License Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake, LLC, an Indiana limited liability company (the "Licensor") and _____, a _____ (the "Licensee").

WHEREAS, the Licensor has executed a License Agreement in favor of Licensee dated as of even date; and

WHEREAS, the License Agreement must comply with applicable state law and the amendments and modifications set forth below are being made to the License Agreement to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the License Agreement).

1. **Section 41 of the Illinois Franchise Disclosure Act states that "any provision in the a franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this state."**

Accordingly, Section 4.5 of the License Agreement is amended to add the following:

"To the extent required by applicable Illinois law, this Section shall not in any way abrogate or reduce any rights of the Licensee specifically provided in the Illinois Franchise Disclosure Act."

2. The first sentence of Section 4.6 of the License Agreement is deleted in its entirety, and in its place is added:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this License Agreement, the franchise, and all claims arising from the relationship between Licensee and the Licensor will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the offer and sale of franchises or governing the relationship between a franchisor and its Licensee will not apply unless its jurisdictional requirements are met independently without reference to this Section. This Agreement shall be governed by the laws of Illinois except to the extent that Franchisee's state franchise disclosure law or unfair franchise practices act, or comparable law, may afford Franchisee additional protection. **Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."**

3. Section 4.8 of the License Agreement is revised to add the following:

Notwithstanding the foregoing, any provisions in the License Agreement waiving punitive damages or a jury trial shall be subject to Section 705/41 of the Illinois Franchise Disclosure Act that provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum to the License Agreement on the day and year first above written.

Steak n Shake, LLC

_____
Printed:_____
Title:_____

Licensee

_____
Printed:_____
Title:_____

ADDENDUM
TO AREA DEVELOPMENT AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY ILLINOIS

This Area Development Agreement Addendum (the "Addendum") is made and entered into as of the ___ day of _____, _____, by and between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation (the "Franchisor") and _____, a _____ corporation (the "Developer").

WHEREAS, the Franchisor has granted to Developer the exclusive right to develop Steak n Shake By Biglari Restaurants within the geographic territory constituting _____, as more particularly described in that Area Development Agreement (the "ADA") dated as of _____ ___, _____, and

WHEREAS, the ADA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the ADA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the ADA.

1. Section 7.06 of the Area Development Agreement shall be supplemented by the following language:

> The conditions under which your Area Development Agreement can be terminated and your rights upon expiration of the Area Development Agreement may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

2. The first sentence of Section 8.02 of the Area Development Agreement is deleted in its entirety and in its place is added:

This Agreement shall be governed and construed under and in accordance with the laws of Illinois except to the extent that Franchisee's state franchise disclosure law or unfair franchise practices act, or comparable law, may afford Developer additional protection. **Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."**

3. The first sentence of Section 8.03 of the Area Development Agreement is deleted in its entirety and in its place is added:

Any and all actions and other legal proceedings arising under this Agreement shall be filed and maintained only in a state or federal court of competent jurisdiction located in the State of Illinois, and the parties hereby consent to the jurisdiction and venue of such courts solely for the purpose of resolution of any such disputes.

4. Section 8.06 of the Area Development Agreement is revised to add the following:

Notwithstanding the foregoing, any provisions in the Area Development Agreement waiving punitive damages or a jury trial shall be subject to Section 705/41 of the Illinois Franchise Disclosure Act that provides that any condition, stipulation, or provision purporting to bind any

person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

5. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

6. By signing below, the parties mutually agree to the amendments to the specific provisions of the ADA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

DEVELOPER
By:_____
Name:_____
Title:_____

"Franchisor"

By:_____
Printed:
Title:

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY MARYLAND

The Franchise Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in Maryland:

1. Item 5 is revised to add the following:

   The Maryland Securities Commissioner required the posting of a Franchisor Surety Bond as a condition of sale of franchises under §14-217 of the Maryland Franchise Law. A Franchisor Surety Bond is on file with the Maryland Securities Division.

2. Item 17 is revised to add the following:

   The General Release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol.)).

   To provide that termination for bankruptcy filing might not be enforceable under the U.S. Bankruptcy Act, but we intend to enforce it to the extent enforceable.

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

   To provide that you can file a civil lawsuit in Maryland to allege a violation of the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol.) and MD. BUS.REG. CODE ANN Section §14-216(c)(25)).

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol.)) must be brought within 3 years after the grant of the franchise.

4. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN.§14-201 et seq. (2010 Repl. Vol.)) are met independently without reference to this Addendum.

5. The sample Release attached as Exhibit H to the Franchise Disclosure Document shall be revised to add the following:

   The General Release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. The representations under this Franchisee Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements and any other requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of and without reference to this Addendum. This Addendum shall have no force and effect if such juridictional or other requirements are not met.

ADDENDUM TO UNIT FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY MARYLAND

This Franchise Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake Enterprises, Inc. (the "Franchisor") and _____, a _____[corporation] [limited liability company] (the "Franchisee").

WHEREAS, the Franchisor has granted to Franchisee a franchise (the "Franchise") for the operation of a Steak n Shake By Biglari Restaurant located at _____, _____ (city), _____ (state) (the "Restaurant") pursuant to a Unit Franchise Agreement (the "UFA") dated as of _____, _____, and

WHEREAS, the UFA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the UFA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the UFA).

1. Sections 2.2 (H) and 13.2(d)(viii) of the UFA are revised to provide that:

   (i) we cannot, as a condition to consent to an assignment, require you to release any claims under the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol)).

   (ii) Notwithstanding the provisions of this Section, the General Release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 11.1(a)(i) of the UFA is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but we intend to enforce them to the extent enforceable.

3. Sections 15.3 and 15.4 of the UFA are revised to include the following language:

   Notwithstanding the provisions of this Section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol.)) and MD. BUS.REG. CODE ANN Section §14-216(c)(25)). Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Section 15.9 of the UFA is revised to include the following:

   Notwithstanding the provisions of this Section, the limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

5. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Section 17.4 of the UFA is revised to add the following:

> The foregoing release of claims shall not apply to those claims Franchisee may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233).

7. Each provision of this Addendum to the UFA shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (MD. BUS. REG. CODE§14-201 et seq. (2010 Repl. Vol.)) are met independently without reference to this Addendum.

8. Notwithstanding anything to the contrary contained in the UFA, any acknowledgments or representations of the franchisee made in the UFA which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

9. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements and any other requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of and without reference to this Addendum. This Addendum shall have no force and effect if such juridictional or other requirements are not met.

10. By signing below, the parties mutually agree to the amendments to the specific provisions of the UFA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR

STEAK N SHAKE ENTERPRISES, INC.,
an Indiana corporation

_____
Printed:_____
Title:_____

FRANCHISEE

_____
a(n)_____[corporation/limited partnership/limited liability company]

Printed:_____
Title:_____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY MARYLAND

This Area Development Agreement Addendum (the "Addendum") is made and entered into as of the ___ day of _____, _____, by and between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation (the "Franchisor") and _____, a _____ corporation (the "Developer").

WHEREAS, the Franchisor has granted to Developer the exclusive right to develop Steak n Shake By Biglari Restaurants within the geographic territory constituting _____, as more particularly described in that Area Development Agreement (the "ADA") dated as of _____ ___, _____, and

WHEREAS, the ADA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the ADA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the ADA.

1. Item 5 is revised to add the following:

   The Maryland Securities Commissioner required the posting of a Franchisor Surety Bond as a condition of sale of franchises under §14-217 of the Maryland Franchise Law. A Franchisor Surety Bond is on file with the Maryland Securities Division.

2. Section 7.04(e) of the ADA is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but we intend to enforce them to the extent enforceable.

3. Sections 8.02 and 8.03 of the ADA are revised to include the following language:

   Notwithstanding the provisions of this Section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Section 8.03 of the ADA is revised to include the following language:

   Notwithstanding the provisions of this Section, the limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a Developer for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

5. Notwithstanding anything to the contrary contained in the ADA, any General Release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. Section 10 of the ADA is hereby removed under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements and any other requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of and without reference to this Addendum. This Addendum shall have no force and effect if such juridictional or other requirements are not met.

8. By signing below, the parties mutually agree to the amendments to the specific provisions of the ADA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR

STEAK N SHAKE ENTERPRISES, INC.
an Indiana corporation

_____
Printed:_____
Title:_____

DEVELOPER

_____
a(n)_____[corporation/limited partnership/limited liability company]
Printed: _____
Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
AND UNIT FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY MICHIGAN

The Disclosure Document and Unit Franchise Agreement ("UFA") are modified and/or clarified as follows:

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE AGREEMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

1. A prohibition in the right of franchisee to join an association of franchisees.

2. A requirement that a franchisee asset to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This section applies only if: (a) The term of the franchise is less than 5 years and (b) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service, mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(c) The unwillingness of the proposed transferee to agree in writing to comply with all unlawful obligations.

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This section does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in herein or in the franchise agreement.

9. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING IN FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 G. MENNEN WILLIAMS BUILDING
LANSING, MICHIGAN 48913

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY MINNESOTA

The Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in Minnesota:

1. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. We will comply with Minn. Stat. Sec. 80C.14, Subds.3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the UFA.

3. Item 13 is revised to include the following language:

   To the extent required by the Minnesota Franchises Act, we will protect your rights to use trademarks, servicemarks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks.

4. Item 17 shall be amended by the addition of the following language:

   If the Franchise Agreement and/or Franchise Disclosure Document requires the Franchisee to sue us outside of the state of Minnesota, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connecton with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Items 17 (c) and (m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchises Act as a condition to assignment.

6. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

7. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements and any other requirements of the Minnesota Franchise Act, Minn. Stat.§§80C.01 through 80C.22 and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, with respect to each such provision, are met independently without reference to this Addendum. This Addendum shall have no force or effect is such jurisdictional or other requirements are not met.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation _____ ___	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____ ___	Printed:_____
Title:_____ ___	Title:_____

ADDENDUM
TO FRANCHISE AGREEMENT

SPECIFIC DISCLOSURES REQUIRED BY MINNESOTA

1. The following language amends Article 15 of the Unit Franchise Agreement ("UFA"):

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Unit Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

2. Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the UFA and prevents Franchisor from unfairly and inequitably withholding consent for Franchisee to transfer its franchise.

3. Article 10 is revised to include the following:

To the extent required by the Minnesota Franchises Act, we will protect your right to use the trademarks, service marks, trade names, logo types or other commercial symbols, or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the case of the name.

4. Franchisor is prohibited from requiring Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

5. Section 15.9 is supplemented by the following:

Notwithstanding the foregoing, any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

6. Section 15.10 is deleted in its entirety and replaced with the following:

Franchisor shall be entitled to seek temporary, interim, injunctive or similar extraordinary relief in any court of competent jurisdiction if the claim relates to ongoing or threatened conduct that will cause Franchisor loss or damages in accordance with the applicable rules governing the grant of such extraordinary relief. Furthermore, notwithstanding anything to the contrary in this Article 15, Franchisor and Franchisor's Affiliates have the right to commence a civil action in any court of competent jurisdiction against Franchisee or take other appropriate action for the following reasons: (i) to collect sums of money due to Franchisor or (ii) for infringement of the Marks or other violation of Franchisor's intellectual property rights.

7. Section 10(i) of Appendix B-1 of the UFA is deleted and replaced with the following:

(i) Remedies. Because SNS may suffer irreparable harm in the event of a breach of this Guaranty and Covenant, each Principal Owner agrees that Franchisor may seek an injunction against Principal Owner's actual or threatened breach of this Guaranty and Covenant or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to SNS.

8. Section 4(e) of Appendix B-2 of the UFA is deleted and replaced with the following:

4(e) Remedies. Because SNS may suffer irreparable harm in the event of a breach of this Agreement, the undersigned agrees that Franchisor may seek an injunction against its actual or threatened breach of this Agreement or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to SNS.

9. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements and any other requirements of the Minnesota Franchise Act, Minn. Stat.§§80C.01 through 80C.22 and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, with respect to each such provision, are met independently without reference to this Addendum. This Addendum shall have no force or effect is such jurisdictional or other requirements are not met.

11. By signing below, the parties mutually agree to the amendments to the specific provisions of the UFA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation _____	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM
TO LICENSE AGREEMENT

SPECIFIC DISCLOSURES REQUIRED BY MINNESOTA

1. The following language amends Sections 4.5 and 4.6 of the License Agreement:

   Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Licensor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Licensee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the License Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or Licensee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. Licensor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the License Agreement and prevents Licensor from unfairly and inequitably withholding consent for licensee to transfer its License Agreement.

3. The License Agreement is revised to include the following:

   To the extent required by the Minnesota Franchises Act, Licensor will protect your right to use the trademarks, service marks, trade names, logo types or other commercial symbols, or indemnify Licensee from any loss, costs or expenses arising out of any claim, suit or demand regarding the case of the name.

4. Section 4.8 of the License Agreement is supplmented with the following:

   Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. The following is added as a new Section 5.2 to the License Agreement:

   5.2 No Statement, Questionnaire, or Acknowledgement. No statement, questionnaire, or acknowledgement signed or agreed to be a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements and any other requirements of the Minnesota Franchise Act, Minn. Stat.§§80C.01 through 80C.22 and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, with respect to each such provision, are met independently without reference to this Addendum. This Addendum shall have no force or effect is such jurisdictional or other requirements are not met.

7. By signing below, the parties mutually agree to the amendments to the specific provisions of the License Agreement noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum to License Agreement.

LICENSOR	LICENSEE
SNS, LLC, an Indiana limited liability company	_____ a(n)_____[corporation/limited partnership/limited liability company]
_____ Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM
TO AREA DEVELOPMENT AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY MINNESOTA

The Area Development Agreement ("ADA") is modified or clarified in the following respects:

1. The following language amends Sections 8.02 and 8.03 of the ADA:

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Unit Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which requires, except in certain specified cases, that Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the UFA and prevents Franchisor from unfairly and inequitably withholding consent for Developer to transfer its franchise.

3. Franchisor is prohibited from requiring Developer to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

4. Section 7.08 shall be amended to include the following statement at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Section 8.04 of the ADA is deleted in its entirety and replaced with the following:

Developer agrees that Franchisor may seek temporary or preliminary injunctive relief upon due notice and in accordance with the applicable rules governing the grant of such extraordinary relief.

6. Section 8.06 is supplemented with the following:

Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

7. Section 8.07 of the ADA is supplemented by the following:

Notwithstanding the foregoing, any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

8. The last sentence of Section 9.04 of the ADA is deleted and replaced with the following:

Developer agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that Franchisor shall have the right to seek temporary or permanent injunctive relief in any proceeding which may be brought to enforce any provision of this Article IX.

9. Section 8(h) of Appendix B of the ADA is deleted and replaced with the following:

Remedies. Because Franchisor may suffer irreparable harm in the event of a breach of these Covenants, each Principal Owner agrees that Franchisor may seek an injunction against Principal Owner's actual or threatened breach of these Covenants or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to Franchisor.

10. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements and any other requirements of the Minnesota Franchise Act, Minn. Stat.§§80C.01 through 80C.22 and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, with respect to each such provision, are met independently without reference to this Addendum. This Addendum shall have no force or effect is such jurisdictional or other requirements are not met.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	DEVELOPER
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation	_____
_____	a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY NEW YORK

The Disclosure Document is modified and/or clarified as follows:

1. Item 3 of the Disclosure Document is revised to include the following:

Neither we, nor any our parent or any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

Neither we, nor any our parent or any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation or property, or unfair or deceptive practices or comparable allegations.

Neither we, nor any our parent or any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Accordingly, no litigation is required to be disclosed in this disclosure document.

2. **Item 4 Additional Disclosure**. Item 4 is deleted and replaced with the following:

Neither we, nor our parent nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the UFOC: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

3. **Item 4 Additional Disclosure.** The following statements are added to Item 17:

We will not assign our rights under the Development Agreement or Franchise Agreement, except to an assignee who in our good faith judgment is willing and able to assume our obligations under the Development Agreement or the Franchise Agreement.

The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Development Agreement or the Franchise Agreement inconsistent with that law.

Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

ADDENDUM TO FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY NEW YORK

This Franchise Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake Enterprises, Inc. (the "Franchisor") and _____, a _____ (the "Franchisee").

WHEREAS, the Franchisor has granted to Franchisee a franchise (the "Franchise") for the operation of a Steak n Shake By Biglari Restaurant located at _____, _____ (city), _____ (state) (the "Restaurant") pursuant to a Unit Franchise Agreement (the "UFA") dated as of _____, _____, and

WHEREAS, the UFA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the UFA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the UFA).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to the Franchisee was made in the State of New York; **(B)** Franchisee is a resident of the State of New York; and/or **(C)** the Restaurant will be located in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to the end of Sections 2.2 and 13.2:

   Any provision in this Agreement requiring you to sign a general release of claims against us does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added to the end of Section 15.1:

   Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

5. The following sentence is added to Section 13.1:

   Franchisor will not assign its rights under this Agreement, except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under this Agreement.

6. The following sentence is added to the end of Section 15.4:

   Notwithstanding the foregoing, the New York Franchise Law shall govern any claim arising under that law.

7. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____ ___	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____ ___	Printed:_____
Title:_____ ___	Title:_____

ADDENDUM TO LICENSE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY NEW YORK

This License Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake, LLC, an Indiana limited liability company (the "Licensor") and _____, a _____ (the "Licensee").

WHEREAS, the Licensor has executed a License Agreement in favor of Licensee dated as of even date; and

WHEREAS, the License Agreement must comply with applicable state law and the amendments and modifications set forth below are being made to the License Agreement to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the License Agreement).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the License Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to the Licensee was made in the State of New York; **(B)** Licensee is a resident of the State of New York; and/or **(C)** the Restaurant will be located in the State of New York.

2. Any provision in the License Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to Section 3.1:

We will not assign its rights under this Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under this Agreement.

4. The following sentence is added to the end of Section 4.5:

Notwithstanding the foregoing, the New York Franchise Law shall govern any claim arising under that law.

5. The following is added as a new Section 5.2 to the License Agreement:

5.2 No Statement, Questionnaire, or Acknowledgement. No statement, questionnaire, or acknowledgement signed or agreed to be a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Licensee Agreement.

8. Except as expressly modified by this Addendum, the License Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the day and year first above written.

"LICENSEE"	"LICENSOR"
By:_____	By:_____
Name:_____	Printed:
Title:_____	Title:

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY NEW YORK

This Area Development Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake Enterprises, Inc. (the "Franchisor") and _____, a_____(the "Developer").

WHEREAS, the Franchisor and Developer executed an Area Development Agreement (the "Agreement") dated as of _____, _____, and

WHEREAS, the Agreement must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the Agreement to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the Agreement).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to the Developer was made in the State of New York; **(B)** Developer is a resident of the State of New York; and/or **(C)** all or a portion of the exclusive territory set forth in the Agreement will be located in the State of New York.

2. Any provision in the Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to Section 4.03

   Franchisor will not assign its rights under this Agreement, except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under this Agreement.

4. Section 7.08 shall be amended to include the following statement at the end of the section:

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. The following sentence is added to the end of Sections 8.02 and 8.03:

   Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

6. Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Agreement.

8. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR	DEVELOPER
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:	Printed: _____
Title:_____	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY NORTH DAKOTA

The Disclosure Document is modified and/or clarified as follows:

1. Item 17(c) and Item 17(m) of the Disclosure Document are revised to provide that:

   Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to assent to a general release. To the extent any such general release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

2. Item 17(r) of the Disclosure Document is revised to provide that:

   Post-term covenants not to compete are generally considered unenforceable in the State of North Dakota.

3. Item 17(u) of the Disclosure Document is revised to provide that mediation will be held at location agreeable to all parties.

4. Item 17(v) of the Disclosure Document is revised to provide that any provision in the Franchise Agreement, License Agreement or Development Agreement that designates jurisdiction or venue in a forum outside of the State of North Dakota is void under Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Item 17(w) of the Disclosure Document is revised to provide that:

   North Dakota law applies.

6. The following is added to Item 17:

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and any rules and regulations promulgated thereunder, are met independently without reference to this Addendum to the Franchise Disclosure Document. This Addendum shall have no force or effect if such jurisdictional or other requirements are not met.

DDENDUM
TO FRANCHISE AGREEMENT

SPECIFIC DISCLOSURES REQUIRED BY NORTH DAKOTA

1. Section 2.2(H) of the UFA is revised to delete the requirement that the Franchisee sign a general release upon renewal of the Franchise Agreement.

2. Section 11.2 (H) of the UFA is revised to include the following:

   Section 51-19-09 of the North Dakota Franchise Investment Law prohibits requiring North Dakota franchisees to consent to liquidated damages to termination penalties.

3. Sections 12.1 and 12.2 of the UFA are revised to add the following: Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. Section 15.2 of the UFA is revised to provide that mediation will be held at location agreeable to all parties.

5. Section 15.3 of the UFA is revised to replace the word "Indiana" as it appears throughout this Section with "North Dakota".

6. Section 15.4 of the UFA is revised to provide:

   This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

7. Section 15.8 is revised to include the following:

   (i) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
   (ii) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits requiring North Dakota franchisees to consent to the waiver of a trial by jury.
   (iii) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to consent to a waiver of exemplary and punitive damages. To the extent any such consent is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

8. Section 16.7 shall be amended by the addition of the following language at the end of the section:

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any

document executed in connection with the franchise.

9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and any rules and regulations promulgated thereunder, are met independently without reference to this Addendum to the Franchise Disclosure Document. This Addendum shall have no force or effect if such jurisdictional or other requirements are not met.

10. By signing below, the parties mutually agree to the amendments to the specific provisions of the UFA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:	Printed:
Title:_____	Title:_____

ADDENDUM
TO AREA DEVELOPMENT AGREEMENT

SPECIFIC DISCLOSURES REQUIRED BY NORTH DAKOTA

1. Section 7.08 shall be amended to include the following statement at the end of the section:

   No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Section 8.03 of the ADA is revised to provide that mediation will be held at location agreeable to all parties.

3. Section 8.02 of the ADA is revised to replace the word "Indiana" as it appears throughout this Section with "North Dakota".

4. Section 8.3 of the ADA is revised to provide:

   This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

5. Section 8.06. of the ADA is revised to provide:

   (i) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
   (ii) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits requiring North Dakota franchisees to consent to the waiver of a trial by jury.
   (iii) Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to consent to a waiver of exemplary and punitive damages. To the extent any such consent is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

6. By signing below, the parties mutually agree to the amendments to the specific provisions of the ADA noted above in this Addendum.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and any rules and regulations promulgated thereunder, are met independently without reference to this Addendum to the Franchise Disclosure Document. This Addendum shall have no force or effect if such jurisdictional or other requirements are not met.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	DEVELOPER
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____ ___	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____ ___	Printed:_____
Title:_____ ___	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Franchise Disclosure Document for Steak n Shake Enterprises, Inc. for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Item 17 shall be amended by the addition of the following language:

> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. This addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Disclosure Document.

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

I

n recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to amend the Unit Franchise Agreement as follows:

1. Sections 15.3 and 15.4 of the UFA shall be supplemented by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. This Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM TO LICENSE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY RHODE ISLAND

This License Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake, LLC, an Indiana limited liability company (the "Licensor") and _____, a _____ (the "Licensee").

WHEREAS, the Licensor has executed a License Agreement in favor of Licensee dated as of even date; and

WHEREAS, the License Agreement must comply with applicable state law and the amendments and modifications set forth below are being made to the License Agreement to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the License Agreement).

1. Section 4.5 of the License Agreement is amended to add the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. The following is added as a new Section 5.2 to the License Agreement:

5.2 No Statement, Questionnaire, or Acknowledgement. No statement, questionnaire, or acknowledgement signed or agreed to be a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. This Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the day and year first above written.

STEAK N SHAKE, LLC

_____
Printed:_____
Title:_____

LICENSEE

_____
a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____
Title:_____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY RHODE ISLAND

This Area Development Agreement Addendum (the "Addendum") is made and entered into as of the ___ day of _____, _____, by and between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation (the "Franchisor") and _____, a _____ corporation (the "Developer").

WHEREAS, Franchisor has granted to Developer the exclusive right to develop Steak n Shake By Biglari Restaurants within the geographic territory constituting _____, as more particularly described in that Area Development Agreement (the "ADA") dated as of _____ ___, _____, and

WHEREAS, the ADA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the ADA to bring it into compliance.

NOW, THEREFORE, the parties hereto agree as follows: (the section numbers hereinafter referred to correspond with the section numbers of the ADA.

1. Section 7.08 shall be amended to include the following statement at the end of the section:

> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Section 8.02 of the Area Development Agreement is amended to add the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. This Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum.

4. By signing below, the parties mutually agree to the amendments to the specific provisions of the ADA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	DEVELOPER
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____ ___	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____ ___	Printed:_____
Title:_____ ___	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY VIRGINIA

The Disclosure Document is modified and/or clarified as follows:

1. The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY VIRGINIA

This Franchise Agreement Addendum (the "Addendum") is made and entered into as of the _____ day of _____, _____, by and between Steak n Shake Enterprises, Inc. (the "Franchisor") and _____, a _____corporation (the "Franchisee").

WHEREAS, the Franchisor has granted to Franchisee a franchise (the "Franchise") for the operation of a Steak n Shake By Biglari Restaurant located at _____, _____ (city), _____ (state) (the "Restaurant") pursuant to a Unit Franchise Agreement (the "UFA") dated as of _____, _____, and

WHEREAS, the UFA must comply with applicable state law and the amendments and modifications set forth below in italics are being made to the UFA to bring it into compliance, as the State of Virginia has a statute, Section 13.1-564 of the Virginia Retail Franchising Act, which may supersede the UFA in your relationship with us, including the areas of termination of your franchise.

NOW, THEREFORE, the parties hereto agree that the UFA is amended to add the following:

1. *Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the UFA does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.*

2. *Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the UFA involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.*

3. Section 16.7 shall be amended by the addition of the following language at the end of the section:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Virginia Retail Franchising Act §§13.1-557 et seq of the Code of Virginia, are met independently without reference to this Addendum. This Addendum shall have no force and effect is such jurisdictional or other requirements are not met.

5. By signing below, the parties mutually agree to the amendments to the specific provisions of the UFA noted above in this Addendum.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____	Printed:_____
Title:_____	Title:_____

ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY WASHINGTON

The Disclosure Document is modified and/or clarified as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the UFA in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the UFA in your relationship with us, including the areas of termination and renewal of your franchise.

2. In any arbitration or mediation involving a franchise purchased in Washington, if required by the Act (unless the Act is preempted by the Federal Arbitration Act), the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

3. In the event of a conflict of laws, to the extent required by the Act, the provisions of the Washington Franchise Investment Protection Act, shall prevail.

4. To the extent required by the Act, a release or waiver of rights executed by you shall not include a release or waiver of rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the UFA is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such a rights to jury trial, might not be enforceable; however, we and you agree to enforce them to the extent the law allows.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. To the extent required by the Act, transfer fees are collectable to the extent they reflect our reasonable estimated or actual costs in effecting a transfer.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the Washington Franchise Investment Protection Act, §§ 19.100.010 through 19.100.940, are met independently without reference to this Addendum to the Franchise Disclosure Document. This Addendum shall have no force and effect if such jurisdictional or other requirements are not met.

ADDENDUM TO FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY WASHINGTON

The Disclosure Document and Unit Franchise Agreement ("UFA") are modified and/or clarified as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the UFA in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the UFA in your relationship with us, including the areas of termination and renewal of your franchise.
2. In any arbitration or mediation involving a franchise purchased in Washington, if required by the Act (unless the Act is preempted by the Federal Arbitration Act), the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. In the event of a conflict of laws, to the extent required by the Act, the provisions of the Washington Franchise Investment Protection Act, shall prevail.
4. To the extent required by the Act, a release or waiver of rights executed by you shall not include a release or waiver of rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the UFA is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such a rights to jury trial, might not be enforceable; however, we and you agree to enforce them to the extent the law allows.
5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. To the extent required by the Act, transfer fees are collectable to the extent they reflect our reasonable estimated or actual costs in effecting a transfer.
7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional and other requirements of the Washington Franchise Investment Protection Act, §§ 19.100.010 through 19.100.940, are met independently without reference to this Addendum to the Franchise Disclosure Document. This Addendum shall have no force and effect if such jurisdictional or other requirements are not met.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR	FRANCHISEE
STEAK N SHAKE ENTERPRISES, INC. an Indiana corporation _____ ___	_____ a(n)_____[corporation/limited partnership/limited liability company]
Printed:_____ ___	Printed:_____
Title:_____ ___	Title:_____

EXHIBIT I

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement"), is made and entered into as of the latest date set forth next to the parties' signatures hereto (the "Effective Date") by and between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation ("Franchisor"), and the franchisee identified on the last page of this Agreement ("Developer").

WITNESSETH:

WHEREAS, Franchisor has developed certain business methods, designs, know-how and arrangements for developing and operating restaurants under the trade name "Steak n Shake By Biglari" (the "Steak n Shake By Biglari Restaurants"), which include certain proprietary trademarks, service marks, trade names and other commercial symbols and related logos, buildings with a distinctive interior and exterior architectural design and layout; decorative color scheme, equipment, fixtures, furniture, training, advertising and promotional programs; menu and merchandising; and standardized methods of preparing and serving certain food products and beverages for on-premises and off-premises consumption and certain uniform operating and business standards, specifications, and policies, all of which the Franchisor may improve, further develop, supplement or otherwise modify from time to time (the "System"); and

WHEREAS, Franchisor offers two operating formats. We offer a quick-service format that features only core menu items and in some cases beer and wine (where permitted by law) ("quick-service format"). Our quick-service format is designed for free-standing and in-line locations of approximately 2,750 SF with over fifty (50) seats including dining room and carryout service and, depending on location, drive-thru service. The quick-service format may also operate from smaller facilities ranging in size from approximately 400 SF to 2,400 SF such as food courts, universities, airports, and arenas ("non-traditional locations") with seating typically limited to common areas.

WHEREAS, the Franchisor's affiliate, STEAK N SHAKE, LLC (the "**Licensor**"), owns certain proprietary trademarks, service marks, trade names and other commercial symbols and related logos, including "Steak n Shake®" and "Steak n Shake By Biglari" together with such other trade names, trademarks, service marks, symbols, logos, distinctive names, and elements, trade dress, logos, designs, insignia or other items which may be designated by the Franchisor from time to time for use in the System, as may be amended from time to time (the "**Marks**").

WHEREAS, Franchisor grants to certain qualified persons the right to develop and operate Steak n Shake By Biglari Restaurants under the System and the Marks within a defined geographic area; and

WHEREAS, Developer desires the right to develop, own and operate Steak n Shake By Biglari Restaurants in a defined geographic area (the "Development Area") and is willing to commit to develop the minimum number of Steak n Shake By Biglari Restaurants provided for in this Agreement.

WHEREAS, Franchisor will enter into a separate Franchise Agreement for each Steak n Steak n Shake By Biglari Restaurant developed pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the parties agree as follows:

I
GRANT OF AREA DEVELOPMENT RIGHT

1.01. Defined Terms.

(a) "Affiliates" means as to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with such specified Person.

(b) "Captive Facilities" means any location in which foodservice is or may be provided by a master concessionaire and other locations which are situated within or as part of a larger venue or facility (but specifically excluding a mall or shopping center) and, as a result, are likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility, including but not limited to any of the following locations: airports, railroad/railway or bus stations, toll plazas/travel centers and other locations that are located on toll roads, cruise ships, government institutions, universities, schools, hospitals, military installations, casinos, off-track betting facilities, convention centers, arenas, stadiums, parks (including theme parks), amusement facilities, and "big box" retail stores.

(c) "Confidential Information" means any and all information relating to the Franchisor and/or the Steak n Shake System that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual, and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in (a) the design and operation of a Steak n Shake By Biglari Restaurant and (b) the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems, experience, and business intelligence with respect to the consumer, business, or financial success, attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by the Franchisor); (vi) Financial Information; and (vii) supplier relationship and distribution system information. If the Franchisor posts some or all of the Manual and any changes on a restricted Website or extranet to which Developer will have access, any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information. Notwithstanding the foregoing, Confidential Information does not include information, concepts, methods, procedures or techniques that are, or become, generally known in the food service industry in the United States through no breach of this Agreement by Developer or its Authorized Recipients (as defined in Section 7.01 herein).

(d) "Financial Information" means guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants whether those Restaurants are operated by Franchisor, Developer, or any

Steak n Shake By Biglari franchisee.

(e) "Control" means, when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing.

(f) "Development Area" means the geographic area described in Exhibit A.

(g) "Development Schedule" means the period of time and cumulative number of Steak n Shake By Biglari Restaurants Developer must open and operate as set forth in the Development Schedule included in **Appendix A** attached this Agreement.

(h) "Franchise Agreement" means the then-current form of agreements (including franchise agreement and any exhibits, and other documents referenced therein) Franchisor customarily uses in granting franchises to own and operate a Steak n Shake By Biglari Restaurant. Franchisor may, at its discretion, modify the standard form of Franchise Agreement customarily used in granting a Steak n Shake By Biglari franchise which may provide for different terms subject to section 3.02 herein.

(i) "Indian Reservation" means an area of land managed by a federally recognized Native American tribe under the US Bureau of Indian Affairs.

(j) "Owner" means those persons or entities with a direct or indirect ownership interest in Developer, or such persons or entities who may later acquire an ownership interest in Developer.

(k) "Person" means an individual natural person or a corporation, limited liability company, partnership (whether general, limited or limited liability), trust, unincorporated organization, joint stock company, joint venture, association or other entity, or any government, or any agency or political subdivision thereof.

(l) "Principal Owner" means all persons or entities who presently own or later acquire ownership in Frachisee if such persons or entities directly or indirectly own ten percent (10%) or more in Developer ("collectively referred to as "Principal Owners", and individually, as a "Principal Owner").

(m) "Protected Area" means the geographical area which may be determined and granted by Franchisor in which Franchisor will not operate or franchise anyone else to operate a Steak n Shake By Biglari Restaurant (except within Captive Facilities) during the Term of a Franchise Agreement executed between Franchisor and Developer; provided, however, if Developer operates a Restaurant in a Captive Facility, then the Protected Area will be limited to the confines of that Captive Facility. Notwithstanding the following, at no time shall the Protected Area comprise of any land located within an Indian Reservation.

(n) "Restaurant" means a Steak n Shake By Biglari Restaurant developed pursuant to a Franchise Agreement executed pursuant to this Agreement.

(o) "Term" means the period of time beginning on the Effective Date of this Agreement and expiring automatically and without notice upon the earlier of (i) the date upon which Developer fails to comply with the Development Schedule set forth in **Appendix A** attached hereto in any respect; or (ii) the latest date set forth in the Development Schedule reflected in **Appendix A** attached hereto.

1.02. Developer's Rights. Subject to the terms and conditions herein (including Franchisor's reservation of rights set forth in Section 1.03 herein) and on the condition precedent that Developer shall have paid in full to Franchisor the ADA Deposit and Territorty Fee (if applicable) as set forth in **Appendix A** attached hereto, beginning on **Effective Date**, Franchisor grants to Developer and Developer accepts the exclusive right to develop acquire franchises to develop Steak n Shake By Biglari Restaurants (each, a "**Restaurant**") within the Development Area during the term hereof (the "**Development Rights**") pursuant to a duly executed Franchise Agreement (as defined below). During the Term hereof, Franchisor shall not operate (directly or through an affiliate), nor grant a franchise to a third party to operate, any Steak n Shake By Biglari Restaurant within the Development Area, except as expressly permitted by Section 1.03 herein.

1.03. Franchisor's Reservation of Rights. Notwithstanding anything to the contrary contained herein, at any time and throughout the Term of this Agreement, Franchisor and its Affiliates shall retain the right to:

(a) Continue operating and relocate any Steak n Shake By Biglari Restaurants located within the Development Area (if applicable) which are in operation prior to the Effective Date of this Agreement.

(b) Operate and/or franchise to other parties the right to operate Steak n Shake By Biglari Restaurants at Captive Facilities located within the Development Area and/or any Protected Area (if applicable) granted to Developer pursuant to a Franchise Agreement.

(c) Offer, sell, distribute or otherwise provide, directly or indirectly, or license to others the right to sell or distribute, directly or indirectly, within and outside the Developer's Development Area, any products or services, including those products or merchandise bearing the Steak n Shake By Biglari tradename, from any location other than a restaurant, including but not limited to, sales made at or through retail or wholesale stores, supermarkets, grocery stores, convenience stores, temporary locations, portable carts, kiosks or trailers, catalogs, mail order or electronic means (for example, the Internet).

(d) Sell, solicit, and direct advertising or promotional materials to customers or prospective customers located in Developer's Development Area.

(e) Establish and operate, or license to others the right to establish and operate, Steak n Shake By Biglari Restaurants under the System and the Marks at any location outside Developer's Development Area.

(f) Within Developer's Development Area, and notwithstanding any other provision hereof, to establish and operate restaurants or acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license to others the right to own and operate, restaurants, including without limitation, restaurants offering ground beef sandwiches, ice cream products or other products similar to those offered by Developer under the System and Marks and notwithstanding such restaurant's actual or threatened impact on sales at the Restaurant operated pursuant to this Agreement; provided, however, such restaurants (unless located within Captive Facilities) shall not utilize the following trade names: "STEAK N SHAKE", "STEAK N SHAKE BY BIGLARI", "TAKHOMASAK, "IN SIGHT IT MUST BE RIGHT", and "FAMOUS FOR STEAKBURGERS".

1.04. No Subfranchising Rights. Developer may not subfranchise or sublicense any

of its rights under this Agreement.

1.05. No Use of Marks.

(a) This Agreement does not grant Developer any right to use (or license the use of) the Marks or the System. Developer agrees that after termination or expiration of this Agreement, Developer will not, except with respect to Restaurants operated by Developer under individual Franchise Agreements then in effect, directly or indirectly, identify itself or any business as a franchisee or former franchisee of, or otherwise associated with, Franchisor, or use in any manner any Mark or trade dress of a Steak n Shake By Biglari Restaurant or any colorable imitation thereof. Developer agrees not to use any Mark as part of any corporate or trade name in any modified form, or in any other manner not explicitly authorized in writing by Franchisor.

(b) If Developer is in not in default under this Agreement beyond applicable cure periods Franchisor agrees to provide such information to Developer as is reasonably necessary for Developer to pursue sites to develop pursuant to this Agreement, including a sample menu and renderings of Franchisor's current prototype. Franchisor shall have no obligation to provide Franchisee with prototype plans and drawings until Franchisee has executed a Franchise Agreement pursuant hereto. Franchisee acknowledges and agrees that the Franchise Agreement will require Franchisee to employ a qualified architect approved by Franchisor to prepare, for Franchisor's approval, preliminary plans and specifications for construction of each Restaurant based upon prototype drawings furnished by Franchisor. The prototype plans provided by Franchisor shall not be used as construction plans or blue-prints for the Restaurant, but only as required design concepts, which shall be adapted by Franchisee and its architect, engineer and contractor to Franchisee's site. Franchisee is solely responsible for adapting the Protoype Plans to comply with all applicable laws, including but not limited to local codes and the Americans with Disabilities Act and for the cost of having the plans signed and sealed by a licensed design professional.

II
RENEWAL; RIGHTS FOLLOWING EXPIRATION OR TERMINATION

2.01. Renewal. Upon written request of Developer delivered to Franchisor as required by the notice provisions of Section 8.01 hereof no sooner than one hundred eighty (180) days and not later than sixty (60) days prior to the end of the Term of this Agreement, Franchisor and Developer will negotiate in good faith to enter into a renewal of this Agreement upon terms and conditions that are acceptable to both parties. Franchisor reserves the right to require Developer to sign Franchisor's then-current form of Area Development Agreement, which may contain materially different terms, and payment of all fees due under such form of agreement (without credit for any fees previously paid pursuant to this Agreement), and/or an expanded or modified Development Area and/or Development Schedule. If Franchisor and Developer are unable to agree upon the terms and conditions of such a new development agreement within thirty (30) days after the start of good faith negotiations, neither party shall have any obligation to continue such negotiations. Neither Franchisor nor Developer shall have any obligation to negotiate such renewal with the other party unless such other party shall have fully performed

all of its obligations under this Agreement, all ancillary documents relating thereto and all other agreements which may then be in effect between Franchisor and Developer.

2.02. Rights After Expiration of Term. At any time after the expiration or termination of the Term of this Agreement for any reason (a) Franchisor shall have the right to own or operate, or license others to own or operate, Steak n Shake By Biglari Restaurants within the Development Area; provided, however, that in no event shall Franchisor cause such restaurants (except a Steak n Shake By Biglari Restaurant located in a Captive Facility) to be constructed or operated within the Protected Area defined in any Franchise Agreement executed pursuant hereto (if such Protected Area is granted); and (b) Developer shall have no further right under this Agreement to construct or operate additional Steak n Shake By Biglari Restaurants, or enter into additional Franchise Agreements with respect thereto; provided, however, that the expiration or termination of Developer's rights under this Agreement shall not affect any Franchise Agreement fully executed by Franchisor and Developer prior to the expiration or termination of this Agreement.

(a) NO VERBAL REPRSENTATIONS. Developer acknowledges and agrees that this Agreement may not be amended by verbal agreement in any respect, and that upon expiration of the Term of this Agreement for any reason, if Developer wishes to pursue reinstatement of this Agreement, it must obtain Franchisor's consent in Franchisor's sole discretion pursuant to an Amendment and Reinstatement Agreement which must be signed by Franchisor's Chairman and CEO along with Developer.

Developer's initials: _____

III
DEVELOPMENT SCHEDULE; CONDITIONS TO DEVELOPMENT; SITE SELECTION; SITE ACQUISITION; AND TRAINING

3.01. Development Obligations. Developer will diligently pursue development of the minimum number of new Restaurants within the Development Area during the Term in accordance with the Development Schedule set forth in **Appendix A** attached hereto. Developer agrees to open and continue to operate the cumulative number of Restaurants as required in the Development Schedule.

3.02. Requirement to Remain in Good Standing; Development and Site Acquisition Requirements.

(a) Notwithstanding any provision in this Agreement to the contrary, Developer understands and agrees that, as a condition to Franchisor granting Developer a franchise to operate a Steak n Shake By Biglari Restaurant pursuant hereto, the Developer and its Owners must be in compliance with the following conditions at the time Developer seeks Franchisor's consent to a proposed location, at the time of execution of the Franchise Agreement for any location for which Franchisor has issued its consent, and prior to the opening of any additional Steak n Shake restaurant locations:

(i) Any and all amounts owed to Franchisor and/or its Affiliates by Developer, its Owners or its Affiliates must be current (i.e., there are not amounts delinquent), including but not limited to royalty and service fees, licensing fees, and marketing fees, etc.due pursuant to any agreements between Franchisor (or its Affiliates) and Developer, its Owners or its Affiliates;

(ii) Developer's operation of any and all restaurants operated under any agreement between Developer (or its Owners or Affiliates) and Franchisor and/or its Affiliates must be in compliance with the standards set forth in the respective franchise agreement(s) and manuals applicable to such restaurants, including but not limited to Franchisor's then-current training requirements;

(iii) Developer and/or its Affiliate does not, at such time, operate any Steak n Shake By Biglari restaurant which has failed to meet Franchisor's minimum quality, service and/or cleanliness ("QSC") standards and/or Franchisor's standards or metrics for guest satisfaction and service times applicable to such restaurant;

(iv) Developer and its Owners and Affiliates are in compliance with all the material terms and conditions of any and all agreements with Franchisor and/or its Affiliates, including any franchise agreement, lease agreement, promissory note, etc.

(v) Developer shall not be past due in the payment of undisputed invoices from approved suppliers of products and services required by Franchisor.

(vi) Developer and it Owners shall meet Franchisor's then-current financial, credit, and legal criteria for obtaining franchise rights.

If Developer has not complied with the foregoing requirements, Franchisor shall have no obligation to review any proposed site, to issue its consent to a site, grant franchise rights to Developer, or allow Developer to open additional Steak n Shake restaurants until Developer complies in all respects with the foregoing conditions.

(b) Before Developer purchases or leases a site for development as a Steak n Shake restaurant, Developer must obtain Franchisor's consent to the site. Franchisor's determination as to whether to consent to any site proposed by Developer shall be subject to Franchisor's reasonable determination that all of the following criteria have been satisfied:

i. Developer shall furnish to Franchisor all financial data reasonably requested to establish to Franchisor's reasonable satisfaction that Developer has the financial ability to develop and operate such Restaurant.

ii. Based on the number of units Developer will operate pursuant to this Agreement and Developer's or its Principal Owner's management experience, Franchisor reserves the right to require Developer to designate and retain at least one individual to serve as the multi-unit manager of the Restaurants to be operated pursuant to this Agreement. The Managing Owner (as defined in Section 5.01 herein) may serve as the multi-unit manager if the Franchisor reasonably determines that the multi-unit manager

meets all of the following criteria. In addition, each Restaurant shall at all times be operated by a General Manager who will work full-time in the particular Restaurant. The multi-unit or General Manager: (i) must have a track record of successfully owning or managing restaurants similar to Steak n Shake By Biglari Restaurants (and in the case of multi-unit manager have experience as a district or area manager for resturants similar to Steak n Shake By Biglari Restaurants), as determined by Franchisor; (ii) must possess good moral character, and have the aptitude and ability to conduct the business contemplated by this Agreement, as determined by Franchisor; (iii) must be authorized by the Developer to direct any actions necessary to ensure compliance with this Agreement and any Franchise Agreements executed pursuant hereto; (iv) must devote his or her full time and best efforts to the satsifaction of the daily operations of each Steak n Shake By Biglari Restaurant operated pursuant to this Agreement; and (v) must live within or in close proximity to the Restaurant (or in the case of a multi-unit manager, the Development Area) to provide adequate oversight of the operation of the Restaurant(s) and to ensure that the Restaurant(s) are operated in compliance with the System. Developer shall not hire a new individual to serve as the General Manager or multi-unit manager (if applicable) without the prior written consent of Franchisor, which shall not be unreasonsably withheld if the operator proposed by Developer satisfies all of the foregoing requirements as determined by Franchisor, and subject to such proposed General Manager or multi-unit manager completing Franchisor's then-current training program. Any failure to comply with such requirements shall be deemed a material event of default by Developer.

iii. Developer shall submit to Franchisor for each location a Site Development Rationale, Letter of Intent (or in lieu thereof a purchase agreement draft or lease draft, as applicable) and Site or Floor Plan ("Location Package") in such form as Franchisor may reasonbly prescribe from time to time so that Franchisor may review the proposed Restaurant location. The Location package must include, among other things, demographic data, traffic flow information, area income analysis, a location description, a site plan and area competition information. Developer shall not purchase or lease the location until Franchisor has provided its written acceptance of the location pursuant to Section 3.04 herein.

iv. Developer shall pay an initial franchise fee for each Restaurant in the amount set forth below ("**Franchise Fee**") and execute Franchisor's then-current standard form Franchise Agreement and exhibits attached thereto and such other related agreements as then reasonably required by Franchisor of all franchisees. The Franchise Agreement will reflect that portion of the ADA Deposit paid by Developer to be applied to the Franchise Fee and the Development Schedule set forth herein. Developer acknowledges and agrees that the then-current form of Franchise Agreement and its exhibits may contain terms different from the current form of Franchise Agreement, as provided to Developer in the Franchise Disclosure Document; provided, however, as long as Developer is not in default under the terms of this Agreement for any Franchise Agreement executed during the first five (5) years of the Term of this Agreement (or such shorter period if this Agreement is less than five (5) years), the fees shall be amended for the Term of such Franchise Agreement to reflect the fees in effect as of the Effective Date of this Agreement in the following amounts:

Franchise Fee (1st Quick-Service Restaurant):	$25,000
Franchise Fee (2nd Quick-Service Restaurant & each addt'l):	$20,000

Royalty and System Fee:	4%
Digital and Production Fund Fee:	1 %
License Fee:	1%

3.03. Purchase or Lease Requirements.

(a) If a site will be leased or subleased by Developer, Developer agrees: (i) to furnish the Franchisor with a copy of Developer's proposed lease or sublease prior to execution, which shall be subject to Franchisor's approval which shall not be unreasonably withheld, conditioned or delayed; and (ii) to insert in said lease Franchisor's Addendum to Lease in the form set forth in Franchisor's then-current standard form of Franchise Agreement. The Franchisor must approve any revisions to the Addendum to Lease.

(b) For a site owned by the Developer, the property shall be subject to the Declaration of Franchise Agreement in favor of the Franchisor in the form then prescribed by Franchisor as an exhibit to its standard form of Franchise Agreement.

(c) Developer shall deliver to Franchisor one of the following: (i) a copy of the fully executed lease incorporating the Addendum to Lease within five (5) days of execution of such lease; or (ii) if Developer owns the Property, a recorded Declaration of Franchise Agreement prior to beginning construction on the Restaurant.

3.04. Authority; No Representations on Site Approval. Developer acknowledges that no officer, employee, or agent of Franchisor has any authority to accept any proposed site except by written acceptance of Franchisor signed by the President or the Vice President with primary authority for franchising, and any other representations, whether oral or written, as to such approval or acceptance by Franchisor shall have not be binding on Franchisor. Developer acknowledges and agrees that neither Franchisor nor its employees or representatives have made any representations regarding the suitability or approval of any particular site for development of a Restaurant, and that all sites to be developed pursuant to this Agreement are subject to Franchisor's review and consent pursuant to the terms set forth herein.

3.05. Confidentiality Regarding Potential Sites. Neither Developer nor its Owners shall issue any press releases or make any statements to the general public disclosing any sites which it may be considering for a Restaurant, except as required to obtain government permits and third party approvals, in connection with financing for the Restaurant or with the prior written approval of an officer of Franchisor. Developer shall require all brokers representing Developer to execute a confidentiality agreement whereby the broker agrees to the foregoing restrictions. Developer shall not be deemed in default of this Section 3.05 for any unauthorized disclosure by any broker.

3.06. Disclaimer. Franchisor's consent to any site developed pursuant to this Agreement does not constitute a warranty of any kind as to the suitability of the site for a Restaurant or the sales level Developer may achieve at the site.

3.07. Management Training. All of Developer's Restaurant managers and any Owner who will work full-time in a restaurant management role must attend and successfully complete Franchisor's training program at a Steak n Shake By Biglari Restaurant of Franchisor's choice that Franchisor has certified as a training restaurant ("Certified Training Restaurant") unless Franchisor has approved one of Developer's Restaurants as a Certified Training Restaurant. Developer is responsible for all expenses in connection with such attendance and participation in the training program, including, without limitation, the cost of transportation, lodging, meals and any salaries or wages for the managers and owner(s) participating in the training. Prior to beginning the training in the Certified Training Restaurant, each manager shall be required to execute the form of Confidentiality and Waiver Agreement required by Franchisor's then-current form of Franchise Agreement.

3.08. Abbreviated Owner Training and Orientation. Franchisor does not charge a fee for the abbreviated owner training or orientation; however, Developer is responsible for its transportation and lodging expenses. Owners who are actively engaged in managing the day-to-day activities of the Restaurant must complete Franchisor's management training program.

IV
FEES

4.01. ADA Deposit. Upon the execution of this Agreement and in consideration of the Development Area granted herein, Developer shall pay to Franchisor the following amounts:

(a) The amount of the Initial Franchise Fee for the first Restaurant Developer will open ($25,000 for Developer's first Quick-Service Restaurant); and

(b) A non-refundable deposit ("Per Unit Deposit") for each additional Restaurant that Developer is obligated to open under this Agreement (if applicable) in the amount indicated on **Appendix A** attached hereto. The amount of the Per Unit Deposit Franchisor requires as stated in **Appendix A** will vary depending on the number of restaurants Developer is granted the right to develop within the Development Area, Developer's restaurant management experience, creditworthiness and such other factors as the market for Steak n Shake By Biglari Restaurants within Developer's Development Area.

(c) The fees described in (a) and (b) immediately above and specified in **Appendix A** attached hereto are hereinafter referred to as the "ADA Deposit". The ADA Deposit shall be fully earned by Franchisor upon execution of this Agreement for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted Developer herein. Under no circumstances will all or any portion of the ADA Deposit be refunded by Franchisor for any reason.

4.02. Application of ADA Deposit. If Developer is in compliance with its obligations under this Agreement, upon the execution by Developer of the Franchise Agreement by Developer and Franchisor for each Restaurant in the Development Area within the respective time periods herein specified, Franchisor agrees to apply a portion of the ADA Deposit toward the Franchise Fee payable by Developer pursuant to Franchise Agreements for each of the Restaurants opened during the Term of this Agreement. For the first restaurant location, Developer will receive a credit for the amount of the entire Franchise Fee. For the second and each additional restaurant Developer opens as required under the ADA, Developer will receive a credit towards the Franchise Fee equal to the Per Unit Deposit. In no circumstance will Franchisor grant credits in excess of the total ADA Deposit paid by Developer.

4.03. Non-Refundable Territory Fee. In addition to the ADA Deposit, Franchisor reserves the right to charge Developer a non-refundable fee ("Territory Fee") for the development rights herein, which fee will be determined by Franchisor prior to execution of this Agreement and such amount, if applicable, shall be set forth in **Appendix A** attached hereto. The applicability and amount of the Territory Fee is based on the size of the territory, the number of restaurants to be developed, demographic data, trends like density and growth rates, the Term of this Agreement, Developer's restaurant management experience, creditworthiness, and other variable conditions such as the market for Steak n Shake By Biglari products within Developer's Development Area. The Territory Fee is determined uniformly by Franchisor but is not uniform for all franchisees due to the variable conditions stated above. The Territory Fee is non-refundable and does not apply to the Franchise Fee for each location Developer will develop pursuant to this Agreement. If a Territory Fee applies, Developer must pay the entire Territory Fee upon execution of this Agreement.

4.04. Assignment. In the event of an assignment or transfer by Franchisor of its interest in this Agreement pursuant to Article VI hereof, Franchisor shall transfer the balance of the ADA Deposit which it holds to the transferee and, upon such transfer and assumption of the obligation by the transferee to apply the ADA Deposit in accordance with Section 4.02, Franchisor shall be released from all liability relating to the ADA Deposit or rights arising because of such ADA Deposit. Developer shall have no right to assign or encumber in any way, its interest in the ADA Deposit held by Franchisor or its transferee.

4.05 Damages. In the event Developer shall breach this agreement or fail to fully and completely perform all of the covenants herein set forth, the balance of the ADA Deposit and Territory Fee (if applicable) held by Franchisor at the time of the breach shall be forfeited to Franchisor as liquidated damages and not as a penalty, and all of Developer's rights in and to the ADA Deposit and Territory Fee (if applicable) shall cease and terminate.

4.06 Surety Bond. At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Developer in the State of Maryland, including payments for goods and services Franchisor receives from the Developer before any Restaurant opening in the State of Maryland.

V
FRANCHISEE'S REPRESENTATIONS; LIMITATION OF AGREEMENT

5.01. Rights Personal. The Development Rights granted by this Agreement are personal to Developer and cannot be subfranchised, sold, assigned, transferred, or encumbered, in whole or in part, except as set forth in Article VI hereof. If Developer is not an individual, Developer shall designate a Principal Owner to serve as the "Managing Owner". If Developer is an individual, the sole owner shall be deemed the Managing Owner. The Managing Owner (i) must be authorized by the Developer to direct any actions necessary to ensure compliance with this Agreement and each Franchise Agreement with Franchisor; (ii) must provide adequate oversight as to the development and operation of the Restaurants; and (iii) must be authorized by the Developer to bind the Developer in any dealings with Franchisor. The Managing Owner is identified in **Appendix A** attached hereto.

5.02. Varied Standards. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System or one or more components thereof. Accordingly, Franchisor has the right at its sole discretion to vary the Menu and other standards, specifications, and requirements for any Steak n Shake By Biglari Restaurant based upon the customs or circumstances of a particular franchise or Franchise Agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance, or any other condition that Franchisor deems to be of importance to the operation of such restaurant, another franchisee's business, or the System or one or more components thereof. Franchisor is not required to grant to Developer the same or similar variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. Developer acknowledges that it is aware that other franchisees of Franchisor operate under a number of different forms of Franchise Agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to such other agreements may differ materially in certain instances from Developer's rights and obligations under this Agreement.

VI
ASSIGNMENT, TRANSFER OR DIVISION OF RIGHTS

6.01. Assignment.

(a) This Agreement shall inure to the benefit of Franchisor, its legal successors and permitted assigns. Developer understands and acknowledges that the rights and duties created by this Agreement are personal to Developer, and that Franchisor has granted these rights and duties in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Developer. Therefore, except as otherwise provided herein, Developer shall not voluntarily, involuntarily, directly or indirectly assign, subfranchise, sell, transfer or convey to any Person, or encumber any interest in this Agreement without the prior written approval of Franchisor. The development rights and obligations of Developer pursuant to this Agreement may not be partially assigned, for example, to allow a third party to acquire a portion of the development rights pursuant to this Agreement without Franchisor's

prior written approval, and such approval shall be at the sole discretion of Franchisor. Any such assignment or transfer without such approval shall constitute a breach hereof and convey no rights to or interests in the Development Area to such assignee(s). Developer shall have no right to transfer or assign this Agreement if Developer is in default under the terms of this Agreement at the time of the proposed transfer (regardless of whether notice of such default has been delivered to Developer).

(b) Notwithstanding Section 6.01(a) above, Developer may assign its rights and obligations pursuant to this Agreement entered into pursuant hereto without the consent of Franchisor but upon prior written notice if such assignment is to an entity that is wholly owned by Developer, and if such transferee shall have assumed in writing all of the obligations of Developer under this Agreement and any additional Owners of the transferee must agree to comply with the provisions applicable to Owners set forth herein; provided, however, any assignment shall not release Developer of any of its liabilities or obligations under this Agreement without the Franchisor's express written consent.

(c) Developer acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and necessary to protect Franchisor's Marks and quality, as well as Franchisor's high reputation and image, and are for the protection of Franchisor, Developer, and other franchisees of Franchisor. Any assignment or transfer permitted by Section 6.01(a) shall not take effect until Franchisor issues its written consent thereto, following its receipt and review of all relevant transfer documents and financial data of the transferee reasonably requested by Franchisor.

6.02. Right of First Refusal. If Developer desires to Transfer (as defined in subsection (a) below) this Agreement or its rights pursuant to this Agreement at any time and Developer shall obtain a bona fide, executed written offer from a fully disclosed purchaser, Developer shall submit an exact copy of such offer to the Franchisor, which must contain all material terms and provisions of the proposed Transfer, including the total offer price, the name and address of the prospective purchaser, a franchisee application completed by the prospective purchaser and any other information that Franchisor may request in order to evaluate the offer. Franchisor shall then have the right of first refusal to purchase Developer's interest covered by such offer at the price and upon the same terms of the offer. Franchisor shall have the option, exercisable by written notice delivered to Developer thirty (30) days from the date of delivery of such offer to the Franchisor, to purchase, or cause its Affiliate to purchase, such interest in this Agreement for the price and on the terms and conditions contained in such offer. Developer may not rely upon any notice from Franchisor of its intention to accept or reject the offer nor shall such notice be effective unless such notice is in writing and signed by an officer of Franchisor. Franchisor's failure to respond within thirty (30) days of receiving the offer shall be deemed a waiver of its right of first refusal. In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the non-cash part of the offer, an independent appraiser shall be designated by Franchisor to determine such amount, and the independent appraiser's determination shall be binding. If the proposed sale includes assets of

Developer not related to the Restaurants, then Franchisor may, at its option, elect to purchase only the assets related to the Restaurants and an equitable purchase price shall be allocated to each asset included in the proposed sale. Election by Franchisor not to exercise its right of first refusal as to any offer shall not affect its right of first refusal as to any subsequent offer. Any sale, attempted sale, assignment or other transfer of the rights granted effected without first giving Franchisor the right of first refusal described above shall be void and of no force and effect. If Franchisor does not accept the offer to purchase the Restaurants proposed to be sold by Developer, then Developer may conclude the sale to the purchaser who made the offer upon the same terms, conditions, and price as offered to Franchisor provided Franchisor's consent to the assignment be first obtained as required by Section 6.01 of this Agreement.

(a) "Transfer" defined. Developer understands and acknowledges that the rights and duties created by this Agreement are personal to Developer and that the Franchisor has granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of the Developer (if an individual), the Managing Owner (if a Legal Entity) and any Principal Owners. Therefore, the prior written approval of the Franchisor is required prior to any voluntary, involuntary, direct or indirect assignment, sale, subdivision, subfranchise, or other transfer ("**Transfer**") by Developer (including without limitation by consolidation or merger) of: (i) the rights granted pursuant to this Agreement; (ii) any Restaurant developed and/or operated pursuant to this Agreement (or any right to receive all or a portion of such Restaurant's profits or losses); (iii) an ownership interest resulting in an addition or loss of a Principal Owner or a change in the Managing Owner; (iv) substantially all of the assets of the Restaurants developed and/or operated pursuant to this Agreement. Any Transfer without Franchisor's approval is a breach of this Agreement and has no effect.

VII
RESTRICTIONS ON CONFIDENTIAL INFORMATION AND PUBLIC STATEMENTS, DEFAULT, AND TERMINATION

7.01 Restrictions on Confidential Information.

(a) The Franchisor may disclose Confidential Information to Developer by furnishing layouts, specifications and guidance in the development and operation of the Restaurant, the training program, the Manual and other instructional manuals, sale promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to Developer during the term of the Franchise or Developer may acquire the Confidential Information from the Franchisor, from other franchisees or incident to the operation of the Restaurant. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to franchisee under a confidentiality notice is expressly conditioned upon Developer and each of its Owners executing the form of Personal Covenant attached hereto as **Appendix B**.

(b) Developer agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to utilize it in the development and operation of the Restaurant during the term of the Franchise, and that the use or duplication of the Confidential Information in any other restaurant business would constitute an unfair method of

competition. Developer acknowledges and agrees that the Confidential Information is proprietary to the Franchisor and is a trade secret of the Franchisor and is disclosed to Developer solely for use by Developer in the development and operation of the Restaurant during the term of the Franchise and on the condition that Developer does hereby agree, that it:

i. will not use the Confidential Information in any other business or capacity;

ii. will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the term of the Franchise;

iii. will not under any circumstance disclose any Confidential Information to any media outlet or post such Confidential Information on any websites, social media, or in other formats available to the public;

iv. will not make unauthorized copies of any portion of the Confidential Information disclosed;

v. shall be solely responsible for ensuring that Developer's Authorized Recipients (defined in subsection (vi) below) having access to Confidential Information comply with this Section 7.01 and to not communicate, divulge, or use the Confidential Information in violation of this Section 7.01;

vi. will adopt and implement all reasonable procedures prescribed from time to time by the Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including without limitation: (a) restricting access to and disclosure of Confidential Information to only those Owners and employees of Developer whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; Developer's and its Owners' attorneys, accountants, lenders, and insurers on a need to know basis; and with respect to Financial Information only, Developer's landlords and/or prospective purchases (provided they execute a non-disclosure agreement agreeing to the confidentiality provisions set forth herein for the benefit of Developer and Franchisor and use the Financial Information solely for the purpose of evaluating the purchase of the Restaurant(s)) (collectively, the foregoing are referred to as "Authorized Recipients"); (b) restricting access to Confidential Information to prevent the theft, unauthorized duplication and discovery of such Confidential Information; (c) requiring all managers and employees with access to Confidential Information to execute a Confidentiality and Non-Disclosure Agreement as Franchisor may require from time to time, agreeing to maintain the confidentiality, during the course of their employment and, thereafter, of all Confidential Information. Copies of the executed confidentiality agreements must be kept for five (5) years after any such employee leaves their employment or affiliation with Developer and must be provided to Franchisor upon request.

(c) Required Disclosures. Notwithstanding the foregoing, Developer or an Authorized Recipient may disclose the Confidential Information if and to the extent that such disclosure is required by applicable law or valid subpoena ("Required Disclosures"), provided that the Developer or Authorized Recipient (as applicable) first provides the Franchisor a

reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by Franchisor, Developer or Authorized Recipient shall join Franchisor in any request to limit the disclosure by means of a protective order or a request for confidential treatment.

7.02. Restrictions on Public Statements.

(a) Developer (including its Owners or employees) shall not, without the Franchisor's express written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

i. makes any statement which disparages, ridicules or is derogatory of the System, the Steak n Shake brand or Marks, the Franchisor, its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or any franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any Developer;

ii. pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or

iii. pertains to any litigation pending or threatened against a Steak n Shake By Biglari franchisee or the Franchisor, its Affiliates of the Franchisor, or any of their owners, officers, employees, agents, consultants, attorneys or representatives. The foregoing are collectively referred to "Public Statements".

iv. Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena ("Required Statements") shall be permitted if the Developer (or its Owner(s), as applicable) uses reasonable efforts to limit the public statement by means of a protective order or a request for confidential treatment and provides Franchisor a reasonable opportunity to review the Public Statements before it is made and to interpose its own objection to the Public Statements.

7.03. Limited Exceptions for Disclosure of Confidential Information and Public Statements and Franchisor's Right to Injunctive Relief.

(a) The restrictions set forth in Sections 7.01 and 7.02 with respect to Confidential Information and Public Statements shall not interfere with Developer's, its Owners' or managers' federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

(b) Developer understands and acknowledges that any failure to comply with the requirements of Sections 7.01 and/or 7.02 herein will result in substantial injury and damage to Franchisor for which there is no adequate remedy at law. For these reasons, if Developer violates or threatens to violate any term of Sections 7.01 and/or 7.02 herein or if an Authorized Recipient violates or threatens to violate any term of Section 7.02 herein, the Franchisor will be entitled, in addition to any other remedies and damages available, to injunctive or other equitable

relief to restrain such by Developer and/or Authorized Recipients. Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of Section 7.01 or 7.02 herein, in addition to any other remedies to which Franchisor may be entitled.

7.04. Immediate Events of Default. The occurrence of any of the following events shall constitute an immediate event of default by Developer under this Agreement:

(a) If Developer shall, in any respect, fail to meet the Development Schedule pursuant to Section 3.01 hereof, as may be extended for a particular Restaurant location pursuant to a Franchise Agreement executed pursuant hereto if Franchise pays Franchisor an Extension Fee of $5,000 for each 90-day extension period provided that Developer shall not be entitled to more than two (2) 90-day extensions of the Required Opening Date for any Restaurant location and such extension shall not modify Developer's remaining obligations under the Development Schedule.

(b) If Developer shall begin work upon any Restaurant at any site unless all conditions in Section 3.02 hereof have been met.

(c) If Developer shall purport to effect any assignment other than in accordance with Article VI hereof.

(d) If Developer makes, or has made, any material misrepresentation, or has omitted any material information to make such representation true and correct, to Franchisor in connection with obtaining this Agreement or any Franchise Agreement required hereunder.

(e) If Developer files a voluntary petition in bankruptcy or any pleading seeking any reorganization or similar relief under any federal or state bankruptcy or insolvency law, or admits or fails to contest the material allegations of any such pleading filed against Developer, or is adjudicated bankrupt or insolvent or a receiver is appointed for a substantial part of the assets of Developer, or a final judgment against Developer remains unsatisfied or remains of record for thirty (30) days or longer (unless an appeal is timely taken and an appeal bond is filed), or if execution is levied against any rights of Developer hereunder or any substantial part of the assets of Developer or a tax levy is made, or suit to foreclose any lien or mortgage on the premises or assets of any Steak n Shake By Biglari Restaurant in the Development Area is instituted against Developer and not dismissed within thirty (30) business days, or if a substantial part of the real or personal property of any of Developer's Steak n Shake By Biglari Restaurants in the Development Area is sold after levy of judgment thereupon by any sheriff, marshal or constable.

(f) Developer or a Principal Owner of Developer is convicted of (regardless of any pending appeal) or pleads no contest to a felony or any other crime that is reasonably likely to adversely affect the System, the Restaurants or the goodwill associated with the Marks.

(g) Developer (including affiliates, subsidiaries, successors, and assigns), or anyone with a direct or indirect ownership interest in Developer fails to comply with the terms

of any other agreement between Developer and Franchisor (including any Franchise Agreement) after having received notice and opportunity to cure, regardless of whether such agreement is terminated by Franchisor.

(h) Developer or anyone with a direct or indirect ownership interest in Developer (i) violates any "Anti-Terrorism Laws", as defined below, (ii) is listed under any such Anti-Terrorism Laws, (iii) has any dealings with any Person listed under any such Anti-Terrorism Laws, and/or (iv) owns assets which are blocked under any such Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the US Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(i) Any failure of Developer, its Owners or employees to comply with all of Developer's obligations as described in Sections 7.01 and 7.02 herein with respect to Confidential Information and Public Statements; provided, however, if a breach of Section 7.01 or 7.02 arises from the unauthorized acts of any Authorized Recipients (excluding an Owner of Developer) without the knowledge or consent of Developer or its Owners, Franchisor shall not exercise its termination rights pursuant to this Section 7.04 if Developer uses its best efforts to promptly cure such breach in a reasonable period of time based on the circumstances (to the extent the breach is susceptible of being cured); provided, however, Franchisor shall have no obligation to provide more than two (2) notices and cure periods for any breaches of Section 7.01 or 7.02 during any twelve (12) month period arising from the unauthorized acts of Developer's Authorized Recipients nor shall this exception be interpreted as a waiver by Franchisor of its right to pursue monetary damages or injunctive relief for any breach of Section 7.01 herein.

(j) If Developer or its Owners shall use Franchisor's Marks, or any other names, mark, insignia, symbol or rights which are the property of Franchisor except pursuant to and in accordance with the terms and conditions of a valid and effective Franchise Agreement between Franchisor and Developer, and fails to end any unauthorized use of the Marks immediately following receipt of notice from Franchisor, or such additional time if the breach cannot be immediately corrected but only if the breach was not intentional and Developer provides proof reasonably acceptable to Franchisor of Developer's best and continuing efforts reasonably calculated to correct such unauthorized use of the Marks within a reasonable time, which will in no event be more than forty-eight (48) hours after receipt of such notice. Franchisor shall have no obligation to provide more than two (2) notices and opportunity to cure for a violation of this Section 7.04(j) during the Term of this Agreement.

7.05 Applicable Law. If any applicable law or rule requires a notice period and/or a cure period, then the notice period and/or cure period required under such law or rule shall be substituted for the requirements herein.

7.06 Franchisor's Rights and Remedies. Upon the occurrence of any of the events of default set forth in Section 7.04, Franchisor may, at its option, elect any one or more of the following remedies.

(a) Franchisor may terminate this Area Development Agreement and all rights granted hereunder, effective immediately upon notice to Developer, and Franchisor's sole monetary remedy for Developer's failure to comply with the Development Schedule shall be retention of the ADA Deposit and Territory Fee (if applicable).

(b) Franchisor may modify, reduce, and/or accelerate the Development Schedule.

(c) Franchisor may terminate, modify, and/or reduce the Development Area.

(d) Franchisor may elect any other right or remedy available to Franchisor under this Area Development Agreement, at law, or in equity.

7.07. Rights and Duties Upon Termination. Upon expiration or termination of this Agreement for any reason, or upon expiration of the Term hereof, Developer agrees to immediately cease any further attempts to select or develop sites on which to construct Steak n Shake By Biglari Restaurants except under a Franchise Agreement which is then in effect. Upon expiration or termination of this Agreement, (i) all of Developer's rights under this Agreement shall terminate and Developer shall have no right to develop or operate any Restaurant(s), except any such restaurant operated pursuant to a Franchise Agreement effective at the time of such termination; and (ii) Developer shall not identify itself as a franchisee of the System, except pursuant to rights which may be granted under any Franchise Agreement which is then in effect, and remains in effect.

7.08. No Waiver. No failure of either party to exercise any power reserved to it by this Agreement or to insist upon strict compliance by the other party with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with any of the terms herein. Waiver by either party of any particular default by the other party shall not affect or impair the non-defaulting party's rights with respect to any subsequent default of the same, similar or different nature. Any delay, forbearance or omission of either party to exercise any power or right arising out of any breach or default by, the other party of any of the terms, provisions or covenants hereof, shall not affect or impair the non-breaching or non-defaulting party's right to exercise such power or right, nor shall such delay, forbearance or omission constitute a waiver by the non-breaching or non-defaulting party of any right hereunder, or the right to declare any subsequent breach a default and to terminate this Agreement prior to the expiration of its term.

7.09. Remedies Not Exclusive. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity, except that Franchisor's remedy with respect to Developer's failure to comply with the Development Schedule shall be limited to retention of the ADA Deposit and Territory Fee (if applicable), a modification, reduction, and/or acceleration of the Development Schedule, and/or termination, modification, and/or reduction of the Development Area.

7.10. Force Majeure. If Developer is prevented from complying with the Development Schedule due to destruction that is (a) not caused by Developer; (b) beyond Developer's reasonable control; and (c) caused by fire or explosion, earthquake, or flood or other significant weather event such as tornado or hurricane, the time for Developer's performance will be extended for the period of Developer's inability to perform due to such occurrence; provided, however, that Developer will not be excused from the payment of any sums of money owed to Franchisor and provided further, that if Developer is unable to perform as a result of such event for more than 90 days or Developer fails to use commercially reasonable efforts to re-commence performance of its obligations under this Agreement by the end of such 90-day period, Franchisor may terminate this Agreement, which termination will be governed by the provisions of Article VII of this Agreement.

VIII
GENERAL PROVISIONS

8.01. Notices. All notices pursuant to this Agreement must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchising
19100 Ridgewood Parkway, Suite 200San Antonio, TX 78259

Copy to: Legal Dept.
Steak n Shake Enterprises, Inc.,
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Developer: Managing Owners mailing address and/or email address set forth in Appendix A attached hereto.

8.02. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Developer and the Franchisor will be governed by the laws of the State of Indiana, without regard to its conflict of laws rules,

except that any Indiana law regulating the offer and sale of franchises or governing the relationship between a franchisor and its Developer will not apply unless its jurisdictional requirements are met independently without reference to this Section. Developer and Licensor acknowledge that the parties' agreement regarding applicable state law and forum set forth in the sections above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Developer and Licensor further acknowledge the receipt and sufficiency of mutual consideration for such benefit

8.03. Venue/Dispute Resolution. ANY AND ALL ACTIONS AND OTHER LEGAL PROCEEDINGS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE PARTIES' RELATIONSHIP SHALL BE FILED AND MAINTAINED ONLY IN A STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF INDIANA, AND THE PARTIES HEREBY CONSENT, AND WAIVE ANY OBJECTIONS THEY MIGHT HAVE, TO THE JURISDICTION OF AND VENUE IN SUCH COURTS FOR THE PURPOSE OF RESOLUTION OF ANY SUCH DISPUTES. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in this Agreement provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the above, Developer agrees that Franchisor may enforce this Agreement in the courts of the state(s) in which the Development Area is located. The Franchisor reserves the right to institute at any time a system of nonbinding mediation. Any mediation under this Agreement shall be held in a forum in the City of Indianapolis, State of Indiana. The Developer will be obligated to participate in such mediation, at the Franchisor's request, in the event of a dispute. Developer agrees that any proceeding will be conducted on an individual, not a class-wide, basis, and that a proceeding between the Franchisor and Developer may not be consolidated with another proceeding between Franchisor and any other Person, nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between Franchisor and Developer.

8.04. Injunctive Relief. Developer agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Developer's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any injunction being expressly waived).

8.05. Costs and Attorneys' Fees. In the event of litigation, mediation, or other dispute resolution procedure between the parties to enforce this Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses from the other party, including, without limitation, court costs, attorneys' fees, and discovery costs.

8.06. Waiver of Punitive Damages and Jury Trial. To the fullest extent permitted by law, the parties waive any right to, or claim for, any punitive or exemplary damages against the other party. The parties also agree that, in the event of a dispute between them, the party making

a claim will be limited to recovery of actual damages, if any. In addition, the parties irrevocably waive trial by jury in any action, proceeding, and/or counterclaim brought by either party.

8.07. Limitation of Claims. Except for Developer's indemnification obligations under this under this Agreement and except for claims arising from Developer's non-payment or underpayment of amounts Developer owes the Franchisor, any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisor and Developer, or Developer's operation of the business contemplated under this Agreement, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

8.08. Survival. Any obligation of Developer that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Developer shall be deemed to survive such termination, expiration or transfer.

8.09. Multiple Counterparts. This Agreement may be executed in one or more counterparts and each counterpart copy so executed shall be deemed an original.

8.10. Franchisor's Right to Charge Interest. In the event Developer fails to timely remit any amounts or other payments due to Franchisor under this Agreement, the unpaid balance due to Franchisor shall bear interest at a rate equal to the lesser of (i) eighteen percent (18%) or (ii) the highest permissible rate under applicable law.

8.11. Severability. Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation of a court or agency having valid jurisdiction, such shall not impair the operation or affect such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement.

8.12. Entire Agreement. This Agreement together with any Franchise Agreement executed pursuant hereto constitutes the entire agreement between Franchisor and Developer in respect of the subject matter hereof. Other than the Disclosure Document that was previously provided to Developer, no officer, employee, or other servant or agent of Franchisor or Developer is authorized to make any representation, warranty or other promise not contained in this Agreement. Notwithstanding the previous sentence, the Disclosure Document is incorporated into this Agreement only to the extent required by law. No change or amendment of any of the provisions of this Agreement shall be binding upon Franchisor or Developer unless in writing and signed by Franchisor and Developer.

IX
RESTRICTIONS ON COMPETING BUSINESSES

9.01. Competing Business. As used herein, the term "Competing Business" means any

restaurant business that either (i) derives twenty-five (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, this restriction shall not apply to, (i) other Steak n Shake By Biglari Restaurants operated under Franchise Agreements previously or hereafter entered into with the Franchisor as long as such agreements remain in full force and effect or (ii) ownership of securities that are publicly traded, representing five percent (5%) or less of the equity or voting power of any such publicly traded business.

9.02. Competition During Term of Agreement. Developer warrants that neither Developer nor its Principal Owners presently owns an interest in a Competing Business. Developer agrees (in consideration of the Franchisor entering into this Agreement), that during the Term of this Agreement, Developer shall not own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business. Additionally, during the term of this Agreement, Developer agrees that each Principal Owner shall not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business.

9.03. Competition After Transfer, Expiration or Termination. In the event of a Transfer, or the expiration or termination of this agreement for any reason whatsoever, the Developer agree(s) that for a period of two (2) years, commencing on the effective date of the Transfer, termination, expiration or non-renewal of this Agreement, Developer will not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located within the Development Area (including any Captive Facilities located therein). Additionally, Developer agrees that for a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to be a Principal Owner in Developer or the effective date of the Transfer or expiration, non-renewal or termination of this Agreement, each Principal Owner shall not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located within the Development Area (including any Captive Facilities located therein).

9.04. Applicability to Principal Owners and Enforcement. Developer acknowledges and agrees that in consideration of the Franchisor entering into this Agreement, each Principal Owner shall be required to execute the Personal Covenants attached hereto as **Appendix B**. Developer acknowledges that the provisions contained in this Article IX are reasonable and necessary and agrees that its failure to adhere strictly to the restrictions contained in this Article IX will cause substantial and irreparable damage to Franchisor and to Franchisor's other franchisees. Upon any breach by Developer and/or its Principal Owners of any of the terms of this Article IX, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled. Developer agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision of this Article IX, without the necessity of posting bond

therefor or proof of actual damages.

9.05. Severability. If the scope of any restriction contained in this Article IX is too broad to permit the enforcement of that restriction to its fullest extent, then that restriction will be enforced to the maximum extent permitted by law, and Franchisor and Developer each consents and agrees that the scope may be judicially limited or modified accordingly in any proceeding brought to enforce that restriction. Each provision contained in this Article IX is independent and severable and, to the extent that any provision is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, that declaration will not affect the legality, validity or enforceability of any other provision contained in this Agreement or the legality, validity or enforceability of that provision in any other jurisdiction.

X
ACKNOWLEDGMENTS

10.01. Investigation by Developer. Developer acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that such business venture involves substantial business risks and that Developer's success will be largely dependent upon the ability of Developer as an independent business owner. Franchisor expressly disclaims the making of, and Developer acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement. Developer acknowledges that Franchisor has made no representations or warranties that the Development Area can support, or that there are sufficient sites for, the number of Restaurants specified in the Development Schedule. Further, Developer acknowledges that Franchisor has made no representations that the Developer may or will derive income from any Restaurant developed hereunder.

10.02. Acknowledgment by Developer. Developer acknowledges that it has read and understood this Agreement, the exhibit(s) attached hereto, and agreements relating hereto, if any, and that Franchisor has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

REMAINDER OF PAGE INTENTIONALLY BLANK

AREA DEVELOPMENT AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF the parties hereto, being duly authorized, have executed this Agreement on the day and year as set forth on the signature page.

"Developer"
Click here to enter text.,
a Click here to enter text.

By: _____

Printed Name: Click here to enter text.
Title: Click here to enter text.

Dated: _____

"Franchisor"
STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation

By: _____

Printed:
Title: Dated:_____

APPENDIX A
AREA DEVELOPMENT AGREEMENT TERM SHEET

1. **Developer:** **Click here to enter text.**

2. **Name of Managing Owner:** **Click here to enter text.**

   Managing Owner's address for receiving notices:

   Click here to enter text.
   [street, city, state, zip (P.O. Boxes not acceptable)]

   Telephone Number: **Click here to enter text.**
   Fax Number: **Click here to enter text.**
   Mobile Number: **Click here to enter text.**
   Email Address: **Click here to enter text.**

3. **Ownership of Developer** –check and complete as appropriate:

   ☐ Developer is wholly owned by one individual:
   Click here to enter text.
   The owner's state of residence is **Click here to enter text.**

   ☐ If the Developer is a legal entity, the state of incorporation/organization is **Click here to enter text.** , the name, address, and office held by each member/owner/shareholder, and the percentage of ownership for each owner (must total 100% for all Owners listed), is as follows:

Full Name	Address, City, State	Email Address:	Percentage of Ownership	Office Held
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

4. **Description of Development Area - Political boundaries described below shall be considered fixed as of the date of this Agreement and shall not change for the**

purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified below: [describe by latitude and longitude, streets or other boundaries]

a. **Click here to enter text.**

b. ☐ See depiction of Development Area in Appendix A-1 attached hereto.

The parties acknowledge and agree that the Development Area is subject to Franchisor's reservation of rights set forth in Section 1.03 of this Area Development Agreement.

5. Total Number of restaurants to be opened during the Term: **Click here to enter text.**

6. First restaurant to open will be ☐ Quick-Service Restaurant

7. **Non-Refundable ADA Deposit:**

Developer Fee for First Restaurant location: $_____ **plus**

Per Unit Deposit Amount: $_____ multiplied by _____ (number of additional restaurants beyond the 1st location to be developed hereunder)

Total ADA Deposit due upon execution: $ **Click here to enter text.**

8. **Non-Refundable Territory Fee:** Pursuant to Section 4.03 of this Agreement, Franchisor is (check as applicable)

☐ requiring a non-refundable Territory Fee of $ **Click here to enter text.**

☐ waiving the non-refundable Territory Fee

9. **Development Schedule**

Required Opening Date	**Number of New Steak n Shake By Biglari Restaurants opened**	**Total Cumulative Number of Steak n Shake By Biglari Restaurants open and operating**
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.

On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.
On or before the date which is _____months following the Effective Date of this Agreement	Click here to enter text.	Click here to enter text.

11. **Additional Terms:**

Click here to enter text.

☐ Not Applicable

IN WITNESS WHEREOF the parties hereto, being duly authorized, have executed this Appendix A as of the Effective Date of the Area Development Agreement.

"Developer"
Click here to enter text.,
a Click here to enter text.

By: _____

Printed Name: Click here to enter text.
Title: Click here to enter text.

"Franchisor"
STEAK N SHAKE ENTERPRISES, INC.,
an Indiana corporation

By:_____
Printed: Title:

APPENDIX B TO AREA DEVELOPMENT AGREEMENT

PERSONAL COVENANTS BY PRINCIPAL OWNERS

FOR EXECUTION BY EACH OWNER OF THE FRANCHISEE WITH AN INTEREST OF TEN PERENT (10%) OR MORE

PERSONAL COVENANTS BY PRINCIPAL OWNER
FOR AREA DEVELOPMENT AGREEMENT

These Personal Covenants ("Covenants") are made by the undersigned (each individually, a "Principal Owner") as of the date set forth next each Principal Owner's signature below in conjunction with each Principal Owner's ownership interest or management role with the franchisee identified on the last page of these Covenants ("Developer") for the benefit of STEAK N SHAKE ENTERPRISES, INC. ("Franchisor"). Any capitalized terms used in these Covenants and not otherwise defined herein shall have the meaning given them in the Area Development Agreement (defined below).

WHEREAS, in consideration of, and as an inducement to, the execution of that certain Area Development Agreement between Franchisor and Developer with an Effective Date as indicated on the last page of these Covenants (the "Development Agreement"), the undersigned Principal Owners hereby personally and unconditionally agree to comply with certain non-competition and confidentiality covenants contained in the Development Agreement.

WHEREAS, the success of the Steak n Shake By Biglari brand depends on maintaining the goodwill associated with its trademarks and protecting the confidential and proprietary business information related to the operation of all Steak n Shake By Biglari Restaurants (the "System"). Additionally, the Franchisor is a subsidiary of a publicly traded company and subject to securities laws which limit the disclosure of certain business and financial information, which, if released, may subject the Franchisor and its affiliates to securities law violations.

WHEREAS, Principal Owners may gain access to parts of Franchisor's Confidential Information (as defined in Section 1 herein) as a result of its ownership or management role with Developer (the "Business Purpose").

WHEREAS, Principal Owner acknowledges and agrees that that it has received good and valuable consideration for executing these Covenants and Franchisor may enforce these Covenants directly against each individual Principal Owner.

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Principal Owners acknowledge are sufficient to create a legally binding agreement, each Principal Owner agree(s) to the following terms and conditions:

1. **Restrictions on Confidential Information.**

a. "**Confidential Information**" means any and all information relating to Franchisor and/or the Steak n Shake By Biglari System (as defined in the Development Agreement) that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual, and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in the design and operation of a Steak n Shake By Biglari Restaurant and the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems,

experience, and business intelligence with respect to the consumer, business, or financial success, attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by Franchisor); (vi) Financial Information; and (vii) supplier relationship and distribution system information. If Franchisor posts some or all of the Manual and any changes on a restricted Website or extranet to which Principal Owner will have access, any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information.

i. **Exclusions**. Notwithstanding the foregoing, Confidential Information does not include information, concepts, methods, procedures or techniques that are, or become, generally known in the food service industry in the United States through no breach of this Agreement by Developer or its Authorized Recipients (as defined in subsection (d)(v) herein).

b. "**Financial Information**" means guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants whether those Restaurants are operated by Franchisor, its affiliates, Developer or any Steak n Shake By Biglari franchisee ("Financial Information").

c. **Manner of Disclosure.** Franchisor may disclose Confidential Information to Principal Owner by furnishing layouts, specifications and guidance in the development and operation of the Restaurant, the training program, the Manual and other instructional manuals, sale promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to Principal Owner during the term of the Franchise or Principal Owner may acquire the Confidential Information from the Developer or from other franchisees. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to Principal Owner under a confidentiality notice is expressly conditioned upon Principal Owner's conent to these restrictions.

d. **Principal Owner's Obligations.** Principal Owner agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to utilize it in the development and operation of the Restaurant during the term of the Franchise, and that the use or duplication of the Confidential Information in any other restaurant business would constitute an unfair method of competition. Principal Owner acknowledges and agrees that the Confidential Information is proprietary to Franchisor and is a trade secret of Franchisor and is disclosed to Principal Owner solely for use by Principal Owner in the development and operation of the Restaurant during the term of the Franchise and on the condition that Principal Owner:

i. will not use the Confidential Information in any other business or capacity;

ii. will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the term of the Franchise;

iii. will not under any circumstance disclose any Confidential Information to any media outlet or post such Confidential information on any websites, social media, or in other formats available to the public;

iv. will not make unauthorized copies of any portion of the

Confidential Information disclosed;

v. will adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including without limitation: (a) restricting access to and disclosure of Confidential Information to only those Owners and employees of Principal Owner whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; attorneys, accountants, lenders, and insurers of the Developer or Prinicipal Owner on a need to know basis; and with respect to Financial Information, Developer's landlords and/or prospective purchases (provided they agree in writing to the confidentiality provisions set forth herein for the benefit of Developer and Franchisor) (collectively, the foregoing are referred to as "Authorized Recipients"); (b) restricting access to Confidential Information to prevent the theft, unauthorized duplication and discovery of such Confidential Information.

e. **Confidentiality Regarding Potential Sites**. Principal Owner shall not issue any press releases or make any statements to the general public disclosing any sites which Developer may be considering for a Steak n Shake By Biglari Restaurant, except as required to obtain government permits and third party approvals, in connection with financing for the Restaurant or with the prior written approval of an officer of Franchisor. Principal Owner shall not be deemed in default of this restriction arising from any unauthorized disclosure by any broker.

f. **Permissible Disclosures**.

i. Notwithstanding the foregoing, Principal Owner or an Authorized Recipient may disclose Confidential Information if and to the extent that such disclosure is required by applicable law or valid subpoena ("Required Disclosures"), provided that the Principal Owner or Authorized Recipient (as applicable) first provides Franchisor a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by Franchisor, Principal Owner or Authorized Recipient shall join Franchisor in any request to limit the disclosure by means of a protective order or a request for confidential treatment.

ii. Notwithstanding anything to the contarary contained herein, Developer may submit Financial Information in connection with applicable tax filings required by law.

iii. The restrictions set forth in this Section 1 with respect to Confidential Information shall not interfere with Principal Owner's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

2. **Restrictions on Public Statements**.

a. **Principal Owner's Obligations.** Principal Owner shall not, without the Franchisor's express written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

i. makes any statement which disparages, ridicules or is derogatory of the System, the Steak n Shake By Biglari brand or Marks, Franchisor or its Affiliates, the owners, officers, employees, agents, consultants, attorneys or representatives of Franchisor, or any Steak n Shake By Biglari franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any Steak n Shake By Biglari franchisee;

ii. pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or

iii. pertains to any litigation pending or threatened against Developer, a Steak n Shake By Biglari franchisee, Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

iv. Subsections (i) through (iii) immediately above are collectively referred to as "Public Statements".

b. **Limited Exceptions.** Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena ("Required Statements") shall be permitted if the Principal Owner or Developer (as applicable) uses reasonable efforts to limit the Public statement by means of a protective order or a request for confidential treatment and provides Franchisor a reasonable opportunity to review the Public Statements before it is made and to interpose its own objection to the Public Statements.

c. The restrictions set forth in this Section 2 with respect to Public Statements shall not interfere with Principal Owner's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

3. **In Term Restrictions on Competing Business Interests**. For such time as Principal Owner directly or indirectly owns an interest in Developer, Principal Owner agrees that he or she will not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business. As used in these Covenants, "Competing Business" means any restaurant business that either (i) derives twenty-five (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, this restriction shall not apply to other Steak n Shake By Biglari Restaurants operated under Development Agreements previously or hereafter entered into with Franchisor as long as such agreements remain in full force and effect or ownership of securities that are publicly traded, representing five percent (5%) or less of the equity or voting power of any such publicly traded business.

4. **Post Term Restrictions on Competing Business Interests.** For a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to own ten percent (10%) or more in Developer, the expiration date, non-renewal date, or termination date of the Development Agreement, each Principal Owner agrees that he or she will not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles

of any then-existing Steak n Shake By Biglari Restaurant. If Principal Owner violates the post-term covenant set forth in this Section 4, Principal Owner acknowledges and agrees that the post-term covenant period of two (2) years shall be extended to commence on the date Principal Owner first complies with such covenant so as to provide Franchisor with the full benefit of the post-term covenant period uninterrupted by Principal Owner's interference.

5. **Intentionally Omitted.**

6. **Enforceability.** Each Principal Owner expressly acknowledges the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 3, 4, and 5 herein will not deprive any of them of their personal goodwill or ability to earn a living. If any of the covenants set forth in Sections 3, 4, and 5 herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, each Principal Owner agrees that it will be enforced to the fullest extent permissible under applicable law and public policy.

7. **Training Waiver and Release**. As a condition to the Principal Owner attending the Steak n Shake By Biglari management training, owner familiairization program or orientation or other training periodically provided by Franchisor (the "Training"), if applicable, which Training may take place at a certified training restaurant operated by Franchisor, its affiliates, or an independently owned and operated Steak n Shake By Biglari Restaurant ("Host Franchisee"), Principal Owner agrees to the following:

a. For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Principal Owner does hereby waive, release, remise and forever discharge Franchisor, Host Franchisee, and their predecessors, successors and assigns, parent, subsidiaries and affiliated entities, and their respective managers, members, officers, directors, agents, employees and representatives (collectively, the "Releasees"), of and from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, covenants, contracts, agreements, promises, damages, judgments, extents, executions, liabilities and obligations, both contingent and fixed, known and unknown, of every kind and nature whatsoever in law or equity, or otherwise, under local, state, or federal law, against the Releasees arising from or in connection with the Training, excluding the gross negligence or willful misconduct of Releasees.

b. Principal Owner acknowledges that he/she has been advised by Franchisor that daily training activities may be demanding and require good physical health; and that in the ordinary course of training the Principal Owner may be exposed to strenuous physical activity, including without limitation, heavy lifting, rotating schedules, overtime hours, exposure to and inhalation of chemicals, and walking on wet or slippery floors. Principal Owner acknowledges that he/she has been informed that the strenuous and physically demanding nature of some portions of the training impose a risk of extreme and excessive physical demands on trainees who are not in good physical health and/or who suffer from any special medical conditions, including without limitation, pregnancy, persons with a history of back problems, leg problems, heart or other circulatory conditions or pulmonary (lung) problems. Due to the arduous and physically demanding nature of the training, Principal Owner has been advised to consult with his/her physicians before engaging in the training program, and to wear skid resistant shoes while

Training in the Restaurant.

c. Principal Owner acknowledges that he/she will disclose to Franchisor's training staff if he/she is experiencing any health problems of a permanent or temporary nature which may affect participation in the training program, and, if temporary, understands that he/she may be offered the option of attending training on alternative dates.

d. Principal Owner acknowledges the possibility that the Principal Owner may not fully know the number or magnitude of all the released claims, but nevertheless intends to assume the risk of attending and/or participating in the training program and is releasing those unknown claims. The Principal Owner acknowledges that the Principal Owner's attendance at Franchisor's Training is contingent upon the Principal Owner's execution of these Covenants.

e. Principal Owner further agrees for him/herself and for his/her successors and assigns, to indemnify and hold harmless forever, the Releasees, against any and all claims or actions which hereafter may be brought or instituted against Releasees, by or on behalf of anyone claiming under rights derived from the Principal Owner and arising from or in connection with the Training.

f. Principal Owner will indemnify, protect, defend and hold harmless Franchisor (and its parents, affiliates and subsidiaries) and the Host Franchisees whose locations are being used in Principal Owner's training (if applicable) from and against any and all liabilities, claims, demands, losses, damages, suits, costs, attorney's fees, settlement costs and judgments which result from the negligent acts or willful misconduct of Principal Owner, including without limitation misuse or misappropriation of Franchisor's or Host Franchisee's assets and improper conduct with respect to employees or representatives of Franchisor or the Host Franchisee.

g. Principal Owner agrees that if he/she is injured while attending training and/or mentoring program in a Host Franchisee's location, then he/she will not make claim against Franchisor (and its parents, affiliates and subsidiaries) or the Host Franchisee or the insurance policies of Franchisor (and its parents, affiliates and subsidiaries) and/or Host Franchisee; provided, however, this shall exclude any claims by Principal Owner arising solely from Franchisor's (and its parents, affiliates and subsidiaries) or Host Franchisee's gross negligence or willful misconduct.

h. In addition to the restrictions on Confidential Information set forth in Section 1 herein, the Principal Owner also agrees that he/she will not (i) photograph any area of the Franchisor or Host Franchisee Restaurant; or (ii) divulge any Financial Information that relates to a Franchisor or Host Franchisees' businesses, which he/she may obtain while in training/mentoring at a Franchisor or Host Franchisees' restaurant.

8. **Miscellaneous.**

a. **Term.** These Covenants shall terminate upon the termination or expiration of the Agreements, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreements shall remain in force according to their terms. Upon the death of a Principal Owner, the estate of such deceased Principal Owner shall be bound by these Covenants as to any defaults and obligations hereunder existing at the time of such deceased Principal Owner's death.

b. **Individual Covenants**. Each Principal Owner hereby jointly and severally acknowledges and expressly agrees to be individually bound by all of the covenants contained in the Development Agreement pertaining to the non-compete and restrictions on assignment, non-disclosure of Confidential Information, and each Principal Owner agrees that he or she shall be personally liable to Franchisor for any breach of the foregoing provisions.

c. **Waiver of Certain Defenses and Waiver of Trial by Jury**. Each Principal Owner waives (i) any law or statute that requires Franchisor to make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against Principal Owner with respect to these Covenants; (ii) and any and all other notices and legal or equitable defenses to which a Principal Owner may be entitled; and (iii) any and all right to have any legal action under these Covenants decided by a jury.

d. **Binding Effect**. These Covenants are binding upon each Principal Owner, his or her successors and assigns, and is binding upon and shall inure to the benefit of Franchisor, its successors and assigns. No assignment or delegation by a Principal Owner shall release such Principal Owner of his or her obligations under these Covenants.

e. **Modifications.** These Covenants may not be modified orally, but only by a writing signed by a Principal Owner and Franchisor; provided, however, Franchisor may unilaterally modify, terminate, or discharge these Covenants as it pertains to an individual Principal Owner without the consent of the remaining Principal Owners. Modifications include any waiver, change, discharge, modification, or termination.

f. **Governing Law**. The terms used in these Covenants shall have the same meaning as in the Agreements, and shall be interpreted and construed in accordance with the Development Agreement. These Covenants shall be interpreted and construed under the laws of the State of Indiana without regard to its conflict of laws rules. In the event of any conflict of law, the laws of the State of Indiana shall prevail (without regard to, and without giving effect to, the application of Indiana conflict of law rules). Each Principal owner acknowledges that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of these Covenants and any dispute arising out of these Covenants or the parties' relationship created by these Covenants. Each Principal owner further acknowledges the receipt and sufficiency of mutual consideration for such benefit.

g. **Venue.** Any and all actions and other legal proceedings arising under these Covenants or otherwise as a result of the parties' relationship shall be filed and maintained only in a state or federal court of competent jurisdiction located in the State of Indiana, and the parties hereby consent, and waive any objections they might have, to the jurisdiction of and venue in such courts for the purpose of resolution of any such disputes. Notwithstanding the above, each Principal Owner agrees that Franchisor may enforce this Agreement in the courts of the state in which the Development Area is located.

h. **Remedies.** Because Franchisor may suffer irreparable harm in the event of a breach of these Covenants, each Principal Owner consents to the entry of an injunction without bond against its actual or threatened breach of these Covenants or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to Franchisor.

i. **Damages.** In addition to any injunctive relief awarded pursuant to the previous paragraph Franchisor shall be entitled to any damages it suffers as a result of a Principal Owner's breach of these Covenants.

j. **Attorneys' Fees**. In addition to all relief set forth above, in the event any suit or other action is commenced to construe or enforce any provision of these Covenants, the prevailing party, in addition to all other amounts such party shall be entitled to receive from the other party, shall be paid by the other party a reasonable sum for attorneys' fees and costs.

k. **Notices and Change of Address.** All notices pursuant to these Covenants must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise
19100 Ridgewood Parkway, Suite 1200San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Principal Owner: Principal Owner's mailing address and/or email address set forth in Appendix A of the Development Agreement.

REMAINDER OF PAGE INTENTIONALLY BLANK

PERSONAL COVENANTS BY PRINCIPAL OWNER
FOR AREA DEVELOPMENT AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF, each Principal Owner has duly signed these Covenants on the date stated below.

Developer Name: **Click here to enter text.**

PRINCIPAL OWNERS:

By:_____ **Dated:** _____**, 202__**

Printed: **Click here to enter text.**, individually

By:_____ **Dated:** _____**, 202__**

Printed: **Click here to enter text.**, individually

By:_____ **Dated:** _____**, 202__**

Printed: **Click here to enter text.**, individually

By:_____ **Dated:** _____**, 202__**

Printed: **Click here to enter text.**, individually

By:_____ **Dated:** _____**, 202__**

Printed: **Click here to enter text.**, individually

EXHIBIT J
Steak N Shake Enterprises, Inc.

Unit Franchise Agreement

Table Of Contents

ARTICLE 1 DEFINED TERMS; GRANT OF FRANCHISEE; AND FRANCHISEE OBLIGATIONS…….2
SECTION 1.1 DEFINED TERMS ..…….2
SECTION 1.2 REPRESENTATIONS BY FRANCHISEE. 5
SECTION 1.3 GRANT OF FRANCHISE AT AUTHORIZED LOCATION ONLY.....5
SECTION 1.4 FRANCHISEE'S PROTECTED AREA AND FRANCHISOR'S RESERVATION OF GIFTS …...6
SECTION 1.5 FRANCHISEE OBLIGATIONS.....7
SECTION 1.6 MANAGEMENT REQUIREMENTS.....8
SECTION 1.7 FRANCHISOR SERVICES…….9
SECTION 1.8 FRANCHISE ORGANIZATION, AUTHORITY, FINANCIAL CONDITION AND OWNERS….10
ARTICLE 2 TERM AND RENEWAL 12
SECTION 2.1 TERM.....12
SECTION 2.2 RENEWAL. 12
ARTICLE 3 SITE SELECTION, RESTAURANT CONSTRUCTION, OPENING AND MAINTENANCE..... 14
SECTION 3.1 DEADLINE FOR SITE SUBMISSION; LOCATION AND LEASE RESTRICTIONS;…….
RELOCATION.....14
SECTION 3.2 CONSTRUCTION OF RESTAURANT AND OPENING CONDITIONS. 17
SECTION 3.3 INSTALLATION OF EQUIPMENT AND FURNISHINGS.....21
SECTION 3.4 MAINTENANCE AND RENOVATION OF THE RESTAURANT PROPERTY, EQUIPMENT AND FURNISHINGS.....21
SECTION 3.5 PURCHASES FROM NON APPROVED SUPPLIERS.....23
SECTION 3.6 REQUIRED TECHNOLOGY.....23
SECTION 3.7 EMINENT DOMAIN.....26
ARTICLE 4 SUPPLIES, FOOD PRODUCTS, RECIPE ITEMS AND UNIFORMS 27
SECTION 4.1 USE OF FOOD SUPPLIES AND OTHER ITEMS 27
SECTION 4.2 SAMPLES. 28
SECTION 4.3 SUPPLIERS OF FOOD SUPPLIES AND OTHER ITEMS. 28
SECTION 4.4 UNIFORMS. 29
SECTION 4.5 Right to Establish a Purchasing Program…….....29
SECTION 4.6 PRODUCT TESTING. 29
SECTION 4.7 FRANCHISOR'S RIGHTS.....29
ARTICLE 5 OPERATING STANDARDS; HOURS OF OPERATION; TRAINING 29
SECTION 5.1 OPERATIONAL STANDARDS. 29
SECTION 5.2 OPERATING HOURS. 31
SECTION 5.3 TRAINING. 31
SECTION 5.4 DISCRETIONARY CONTINUING SERVICES. 34
SECTION 5.5 ACCESS TO RESTAURANT. 34
SECTION 5.6 FRANCHISOR'S RIGHT TO OPERATE THE RESTAURANT.....35
ARTICLE 6 FEES AND ADVERTISING EXPENDITURES 35
SECTION 6.1 FRANCHISE AND OTHER FEES.....35
SECTION 6.2 ADVERTISING AND MARKETING EXPENDITURES. 36
SECTION 6.3 WEEKLY REPORT. 37

SECTION 6.4 INTEREST ON LATE PAYMENTS. 37
SECTION 6.5 CREDIT CARDS AND OTHER METHODS OF PAYMENT. 38
SECTION 6.6 FEES NON-REFUNDABLE. 38
SECTION 6.7 PAYMENT BY PRE-AUTHORIZED ELECTRONIC FUNDS TRANSFER. 38
SECTION 6.8 ALLOCATION OF PAYMENTS. 39
SECTION 6.9 NON-RETENTION OF FUNDS. 39
SECTION 6.10 TAXES. 39
SECTION 6.11 DEFAULT FEES. 39
ARTICLE 7 ADVERTISING 39
SECTION 7.1 ORIGINATION AND APPROVAL OF ADVERTISING. 39
SECTION 7.2 ADVERTISING AGENCY 41
ARTICLE 8 BOOKS, RECORDS AND CONTROL PROCEDURES 41
SECTION 8.1 BOOKKEEPING SYSTEM. 41
SECTION 8.2 MONTHLY AND ANNUAL REPORTS. 41
SECTION 8.3 MARKETING INFORMATION. 42
SECTION 8.4 RECORDS OF FRANCHISEE. 42
SECTION 8.5 INSPECTION OF FRANCHISEE'S RECORDS 43
SECTION 8.6 NOTICE OF LEGAL ACTIONS AND NOTICE OF DEFAULT PURSUANT TO LOAN AGREEMENTS 43
SECTION 8.7 DEFAULT 44
ARTICLE 9 INSURANCE AND INDEMNITY 44
SECTION 9.1 INDEMNITY. 44
SECTION 9.2 FRANCHISEE'S INSURANCE. 45
SECTION 9.3 EVIDENCE OF INSURANCE. 46
SECTION 9.4 REQUIRED INSURANCE NOTICES TO FRANCHISOR. 46
SECTION 9.5 ADDITIONAL INSURED. 47
ARTICLE 10 LIMITATIONS ON USE OF MARKS, SOCIAL MEDIA; RESTRICTIONS ON CONFIDENTIAL INFORMATION AND PUBLIC STATEMENTS; IMPROVEMENTS TO THE SYSTEM 47
SECTION 10.1 MARKS. 47
SECTION 10.2 IMPROVEMENTS TO SYSTEM. 48
SECTION 10.3 NOTIFICATION OF INFRINGEMENTS AND CLAIMS. 48
SECTION 10.4 DISCONTINUANCE OF USE OF MARKS 49
SECTION 10.5 NON-DISCLOSURE OF CONFIDENTIAL INFORMATION AND RESTRICTIONS ON PUBLIC STATEMENTS 49
SECTION 10.6 ONLINE USE OF MARKS AND RESTRICTIONS ON SOCIAL MEDIA. 51
SECTION 10.7 REMEDIES FOR BREACH OF ARTICLE 10. 52
SECTION 10.8 FRANCHISOR'S USE OF FRANCHISEE'S INFORMATION. 52
SECTION 10.9 SURVIVAL 52
ARTICLE 11 EVENTS OF DEFAULT 52
SECTION 11.1 DEFAULT. 52
SECTION 11.2 EFFECT OF ANY TERMINATION, CANCELLATION OR EXPIRATION OF THIS AGREEMENT. 58
SECTION 11.3 FRANCHISOR'S OPTION TO PURCHASE EQUIPMENT AND FURNITURE. 61
ARTICLE 12 RESTRICTIVE COVENANTS. 63
SECTION 12.1 COMPETITION DURING TERM OF AGREEMENT. 63
SECTION 12.2 COMPETITION AFTER TRANSFER, EXPIRATION OR TERMINATION 63

SECTION 12.3 INTENTIONALLY OMITTED…… .. 64
SECTION 12.4 APPLICABILITY TO PRINCIPAL OWNERS AND ENFORCEMENT. 64
SECTION 12.5 SEVERABILITY. 64
ARTICLE 13 ASSIGNMENTS 64
SECTION 13.1 ASSIGNMENT BY THE FRANCHISOR.....64
SECTION 13.2 ASSIGNMENT BY FRANCHISEE. 65
SECTION 13.3 THE FRANCHISOR'S RIGHT OF FIRST REFUSAL. 68
SECTION 13.4 DEATH OR DISABILITY OF INDIVIDUAL FRANCHISEE OR MANAGING OWNER.....68
SECTION 13.5 ENFORCEABILITY OF RESTRICTIONS ON TRANSFER. 69
ARTICLE 14 NOTICE PROVISIONS. 69
SECTION 14.1 NOTICES. 69
SECTION 14.2 MANAGING OWNER OF FRANCHISEE. 70
SECTION 14.3 EMAIL COMMUNICATIONS. 70
ARTICLE 15 DISPUTE RESOLUTION 70
SECTION 15.1 LEGAL REMEDIES. 70
SECTION 15.2 NON-BINDING MEDIATION. 70
SECTION 15.3 CONSENT TO JURISDICTION AND VENUE. 71
SECTION 15.4 GOVERNING LAW. 71
SECTION 15.5 AGREEMENT LOCATION. 71
SECTION 15.6 COSTS AND ATTORNEYS' FEES. 71
SECTION 15.7 RIGHTS OF PARTIES ARE CUMULATIVE. 72
SECTION 15.8 WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.....72
SECTION 15.9 LIMITATION OF CLAIMS. 72
SECTION 15.10 EXTRAORDINARY RELIEF…… …… 72
ARTICLE 16 GENERAL PROVISIONS 72
SECTION 16.1 SEVERABILITY. 72
SECTION 16.2 FRANCHISEE INDEPENDENT CONTRACTOR /DISCLOSURE THEREOF. 73
SECTION 16.3 SECTION AND SUBSECTION TITLES. 73
SECTION 16.4 FRANCHISOR'S APPLICATION OF ITS RIGHTS. 73
SECTION 16.5 CONSTRUCTION. 74
SECTION 16.6 OBLIGATIONS OF INTERESTED PARTIES. 74
SECTION 16.7 WRITTEN APPROVAL, WAIVER AND NON-WAIVER. 74
SECTION 16.8 MULTIPLE COUNTERPARTS. 75
SECTION 16.9 ENTIRE AGREEMENT. 75
ARTICLE 17 ACKNOWLEDGMENTS 75
SECTION17.1 RECEIPT OF DISCLOSURE……..... ……..75
SECTION 17.2 ACKNOWLEDGMENT OF DIFFERING TERMS. 75
SECTION 17.3 ACKNOWLEDGMENT OF NO PROMISES. 75
SECTION 17.4 RELEASE OF PRIOR CLAIMS. 76

APPENDIX A	**FRANCHISEE INFORMATION**
APPENDIX B-1	**PERSONAL GUARANTY AND PERSONAL COVENANTS OF PRINCIPAL OWNERS**
APPENDIX B-2	**CONFIDENTIALITY AND WAIVER AGREEMENT**
APPENDIX C	**ADDENDUM TO LEASE (Applies only if Franchisee leases the restaurant property)**
APPENDIX D	**DECLARATION OF FRANCHISE AGREEMENT (Applies only if the restaurant property is owned by Franchisee; Not applicable if Franchisee is obtaining Small Business Administration (SBA) loan)**
APPENDIX E	**PRE-AUTHORIZED BANK TRANSFER**
RIDER 1	**EXPIRATION OF FRANCHISE AGREEMENT (executed after Restaurant opening)**
RIDER 2	**TURNOVER DATE COMMITMENT FORM**
RIDER 3	**FRANCHISOR'S CONSENT TO RESTAURANT OPENING**
Exhibit 1	**SBA ADDENDUM TO FRANCHISE AGREEMENT (applicable only if Franchisee is obtaining Small Business Administration (SBA) loan)**
Exhibit 2	**FORM OF WAIVER AND INDEMNITY AGREEMENT (Applies only if Franchisee requires additional operating assistance)**

STEAK N SHAKE BY BIGLARI

UNIT FRANCHISE AGREEMENT

This UNIT FRANCHISE AGREEMENT (the "**Agreement**") is made and entered as of the latest date set forth next to the parties' signatures hereto ("Effective Date") by and between **Steak n Shake Enterprises, Inc**., an Indiana corporation (the "**Franchisor**") and a Person that is granted the right, license and privilege to build and operate a Steak n Shake By Biglari Restaurant, including those individuals or entities with a direct or indirect ownership interest in Person ("**Franchisee**").

Recitals

(A) The Franchisor is in the business of granting franchises for restaurants, which operate with uniform formats, systems, methods, procedures and designs under the name "Steak n Shake By Biglari"**.** Franchisor offers two operating formats. The "Quick-Service Format" is designed for in-line locations or freestanding locations of approximately 2,750 SF ("Quick-Service Restaurants"). Quick-Service Restaurants may also operate from smaller facilities with a minimum of 400 SF to 2,400 SF such as food courts, airports, arenas ("non-traditional locations") with seating typically limited to common areas. Both concepts are referred to throughout this Agreement as "Steak n Shake By Biglari Restaurants" or a "Steak n Shake By Biglari Restaurant."

(B) Franchisee has applied for a franchise to own and operate a Steak n Shake By Biglari Restaurant at the location identified or to be identified in **Appendix A** hereof and such application has been approved by the Franchisor in reliance upon all of the representations, warranties, covenants and agreements made by the Franchisee and its Owners.

(C) The Franchisor believes that the reputation and goodwill of Steak n Shake By Biglari Restaurants are based upon, and can be maintained only by, the sale of distinctive, high quality products and services and a uniform approach to all aspects of the operation of Steak n Shake By Biglari Restaurants, and Franchisee acknowledges and agrees that the operation of the Steak n Shake By Biglari Restaurant will be governed in strict accordance with the terms of this Agreement.

(D) Franchisee acknowledges that Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon the business abilities of Franchisee.

NOW, THEREFORE, the parties, for consideration of the undertakings and commitments of each party to the other set forth in this Agreement, and for other good and valuable consideration the sufficiency and receipt of which are hereby acknowledged**,** agree as follows:

Article 1. Defined Terms; Grant of Franchise; and Franchisee Obligations.

Section 1.1 Defined Terms.

(A) "**Affiliates**" means as to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with such specified Person.

(B) **"Authorized Location"** means the location of the Steak n Shake By Biglari Restaurant to be developed and operated by Franchisee pursuant to the terms of this Agreement, as set forth in Appendix A attached hereto, which, if an exact location is not identified in Appendix A at the time of execution of this Agreement, shall be subject to Franchisor's acceptance pursuant to Section 3.1 herein.

(C) **"Captive Facility"** means any location in which foodservice is or may be provided by a master concessionaire and other locations which are situated within or as part of a larger venue or facility (but specifically excluding a mall or shopping center) and, as a result, are likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility, including but not limited to the following locations: airports, railroad/railway or bus stations, toll plazas/travel centers and other locations that are located on toll roads, cruise ships, government institutions, universities, schools, hospitals, military installations, casinos, off-track betting facilities, convention centers, arenas, stadiums, parks (including theme parks), amusement facilities, and "big box" retail stores.

(D) "**Certified Training Restaurant**" means a Steak n Shake By Biglari Restaurant which meets Franchisor's criteria for training Steak n Shake By Biglari multi-unit managers, general managers, restaurant managers and managers, which criteria may be modified from time to time in Franchisor's Manual or other publications.

(E) "**Competing Business**" means any restaurant business that either (i) derives twenty-five percent (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, this restriction shall not apply to other Steak n Shake By Biglari Restaurants operated under Franchise Agreements previously or hereafter entered into with the Franchisor as long as such agreements remain in full force and effect or ownership of securities that are publicly traded, representing five percent (5%) or less of the equity or voting power of any such publicly traded business.

(F) "**Confidential Information**" means any and all information relating to the Franchisor and/or the Steak n Shake By Biglari System that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual, and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in (a) the design and operation of a Steak n Shake By Biglari Restaurant and (b) the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems, experience, and business intelligence with respect to the consumer, business, or financial success, attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by the

Franchisor); (vi) Financial Information; and supplier relationship and distribution system information; (vii) If the Franchisor posts some or all of the Manual and any changes or updates thereto on a restricted Website or extranet to which Franchisee will have access, any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information. Notwithstanding the foregoing, Confidential Information does not include information, concepts, methods, procedures or techniques that are, or become, generally known in the food service industry in the United States through no breach of this Agreement by Franchisee or its Authorized Recipients (as defined in Section 10.5 herein).

(G) "**Control**" means, when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing.

(H) **"Designated Menus"** means the menus that Franchisor designates from time to time for use in Steak n Shake By Biglari Restaurants, which menus reflect the permitted product offerings and, where applicable, pricing.

(I) **"Financial Information**" means guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants whether those Restaurants are operated by Franchisor, Franchisee, or any Steak n Shake By Biglari franchisee.

(J) **"Force Majeure"** means that in the event Franchisee is prevented from complying with the Franchise Agreement or the operation of the restaurant at the Authorized Location due to the destruction that is (a) not caused by Franchisee; (b) beyond Franchisee's reasonable control; and (c) caused by fire or explosion, earthquake, or flood or other significant weather event such as tornado or hurricane, the time for Franchisee's performance will be extended for the period of Franchisee's inability to perform due to such occurrence; provided, however, that Franchisee will not be excused from the payment of any sums of money owed to Franchisor and provided further, that if Franchisee is unable to perform as a result of such event for more than ninety (90) days or Franchisee fails to use commercially reasonable efforts to re-commence performance of its obligations under this Agreement by the end of such 90-day period, Franchisor may terminate this Agreement, which termination will be governed by the provisions of Section 11.1(B) of this Agreement.

(K) **"Gross Receipts"** means all revenue from the sale of all products and services sold and all other income of every kind related to the Restaurant (including, without limitation, any proceeds from business interruption insurance), whether paid by cash, or credit (and regardless of collection in the case of credit), including gross sales from gift card sales, vending/amusement machine sales, packaged food sold for off-premises consumption, and general merchandise. Excluded from Gross Receipts are sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority, customer refunds, discounts and adjustments, the amount of refunds or allowances given to customers by Franchisee in good faith; any amounts from coupon or discount programs (including reasonable employee discounts) approved by Franchisor.

(L) **"Indian Reservation"** means an area of land managed by a federally recognized Native American tribe under the US Bureau of Indian Affairs.

(M) "**License Agreement**" means that agreement to be executed simultaneously

herewith pursuant to which the Licensor will grant to Franchisee, for and during the Term thereof, the non-exclusive right, license and privilege to use the Marks designated by the Licensor or Franchisor in writing for use by the System (as may be changed from time to time).

(N) "**Licensor**" means Franchisor's affiliate, STEAK N SHAKE, LLC, which is the entity that owns and licenses the Marks.

(O) **"Local Advertising and Promotion"** as used herein shall refer to advertising and promotion related directly to the Restaurant, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses). Franchisor may provide to Franchisee, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "Local Advertising and Promotion," including, without limitation, products sold at a discount or given away as part of promotional programs or the value of advertising coupons.

(P) **"Managing Owner"** means the individual Franchisee or person identified in **Appendix A** attached hereto if Franchisee is a Legal Entity. The Managing Owner must be authorized by the Franchisee to bind the Franchisee in any dealings with Franchisor.

(Q) **"Manual"** means, collectively, all books, pamphlets, guides, merchandising and operating aids, promotions guides, newsletters, bulletins, memoranda, letters, notices, computer media (i.e. computer software, CD-Rom) or other publications, documents or electronic media prepared by or on behalf of the Franchisor for use by Franchisees generally or for the Franchisee in particular, setting forth information, advice, standards, specifications, requirements, operating procedures, recipes, instructions or policies relating to the operation of Steak n Shake By Biglari Restaurants, maximum pricing, promotions, and policies, as the Franchisor may amend from time to time.

(R) "**Marks"** means trademarks, service marks, trade names and other commercial symbols and related logos, including "Steak n Shake®" and "Steak n Shake By Biglari" together with such other trade names, trademarks, service marks, symbols, logos, distinctive names, and elements, trade dress, logos, designs, insignia or other items which Franchisor or the Licensor determine are necessary and appropriate for use in the System during the Term of the Franchise Agreement, and as may be amended from time to time.

(S) **"Non-Traditional Location"** means a Steak n Shake By Biglari Restaurant offering quick-service only with a minimum of approximately 400 SF to 2,400 SF which does not offer seating for customers (other than seating available in common areas), as may be located in food courts or Captive Facilities such airports or stadiums.

(T) **"Owner"** means those individuals or entities with a direct or indirect ownership interest in Franchisee, who are listed in **Appendix A** attached hereto, or such individuals or entities who may later acquire an ownership interest in Franchisee, subject to the restrictions and conditions set forth herein.

(U) "**Person"** means an individual natural person or a corporation, limited liability company, partnership (whether general, limited or limited liability), trust, unincorporated organization, joint stock company, joint venture, association or other entity, or any government, or any agency or political subdivision thereof.

(V) **"Principal Owner"** means all persons or entities who presently own or later acquire ownership in Frachisee if such persons or entities directly or indirectly own ten percent (10%) or more in Franchisee ("collectively referred to as "Principal Owners", and individually, as a "Principal Owner").

(W) "**Protected Area**" means the geographical area described or to be determined and described in **Appendix A**, but specifically excluding any Captive Facilities located within such geographical area. Notwithstanding the following, at no time shall the Protected Area comprise of any land located within an Indian Reservation.

(X) "**Required Technology**" is defined in Section 3.6

(Y) **"System"** means the business methods, designs, know-how and arrangements for developing and operating restaurants under the trade names "Steak n Shake" and "Steak n Shake By Biglari", which include the Marks, buildings with a distinctive interior and exterior architectural design and layout; decorative color scheme, equipment, fixtures, furniture, training, advertising and promotional programs; menu and merchandising; and standardized methods of preparing and serving certain food products and beverages for on-premises and off-premises consumption and certain uniform operating and business standards, specifications, and policies, all of which the Franchisor may improve, further develop, supplement or otherwise modify from time to time. Franchisor may adopt different operating and business standards, specifications, policies, architectural design and layout; decorative color scheme, equipment, fixtures, furniture, training, advertising and promotional programs; menu and merchandising; and standardized methods of preparing and serving certain food products and beverages for Quick-Service Restaurants in its sole discretion.

(Z) **"Term"** means and includes the Initial Term of this Agreement (as defined in Section 2.1 herein), and any and all extensions and renewals thereof.

Section 1.2 Representations by Franchisee. This franchise (hereinafter sometimes referred to as the "Franchise") is being granted based on the application, financial statements and other documents submitted by Franchisee and its Owners to the Franchisor prior to the execution hereof, and Franchisee represents and warrants to the Franchisor that such submissions are accurate and complete as of the respective dates of the documents and the date hereof; and that such submissions do not omit any material fact necessary to make them not misleading.

Section 1.3 Grant of Franchise at Authorized Location Only

(A) Subject to the conditions of this Agreement and the continuing faithful performance by Franchisee hereunder, Franchisor grants to Franchisee, for and during the Term hereof, the right, license and privilege: (i) to build and operate a Steak n Shake By Biglari Restaurant (referred to hereinafter as the "**Restaurant**") only at the Authorized Location; (ii) to offer for sale all of the (and only the) food and beverage products and merchandise designated by Franchisor to be sold in the Restaurant (as they may be changed, improved, and further developed by Franchisor from time to time); and (iii) to indicate to the public that Franchisee's Restaurant is operated as a part of the System. Pursuant to a separate License Agreement executed

simultaneously herewith, the Licensor will grant to Franchisee, for and during the Term thereof, the non-exclusive right, license and privilege to use the Marks owned by the Licensor as are now or may hereafter be specifically designated by Franchisor and/or the Licensor in writing for use only with Franchisor's System (as may be changed from time to time).

(B) Franchisee shall sell products and services only from the Restaurant and only in accordance with the requirements of this Agreement and the procedures set forth in the Manual. Franchisee shall not sell products or services through any other means or locations, including, without limitation, retail or wholesale stores, supermarkets, grocery stores, convenience stores, temporary locations, portable carts, kiosks or trailers, catalogs, mail order or electronic means (for example, the Internet) except as Franchisor specifically approves or authorizes in writing.

(C) Franchisee may not use advertising or other methods for solicitation that are directed into Protected Areas granted to other franchisees, unless the advertising is for the purpose of general brand awareness and does not attempt to solicit customers for a specific location.

(D) Franchisor has no obligation whatsoever to issue or allow the purchase of any additional Steak n Shake By Biglari franchises by Franchisee or others, except pursuant to any Area Development Agreement between Franchisee and Franchisor.

Section 1.4 Franchisee's Protected Area and Franchisor's Reservation of Rights.

(A) During the Term of this Agreement, neither Franchisor nor its Affiliates shall own or operate a Steak n Shake By Biglari Restaurant, and shall not grant to any third party a franchise to operate a Steak n Shake By Biglari Restaurant at any location within the Protected Area; provided, however, Franchisor and/or its Affiliates shall have the right to operate and/or franchise to other parties the right to operate Steak n Shake By Biglari Restaurants at Captive Facilities located within the Protected Area. Notwithstanding the foregoing, Franchisor or its Affiliates retain the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

(i) To offer, sell, distribute or otherwise provide, directly or indirectly, or license to others the right to sell or distribute, directly or indirectly, within and outside the Franchisee's Protected Area, any products or services, including those products or merchandise bearing the Steak n Shake or Steak n Shake By Biglari tradename, from any location other than a restaurant, including but not limited to, sales made at or through retail or wholesale stores, supermarkets, grocery stores, convenience stores, temporary locations, portable carts, kiosks or trailers, catalogs, mail order or electronic means (for example, the Internet);

(ii) To sell, solicit, and direct local advertising and promotional materials to customers or prospective customers located in Franchisee's Protected Area;

(iii) To establish and operate, or license to others the right to establish and operate, Steak n Shake By Biglari Restaurants under the System and the Marks at any location outside Franchisee's Protected Area (to the extent that such Steak n Shake By Biglari Restaurant is not located within any Development Area granted to Franchisee pursuant to a valid and subsisting Area Development Agreement); and

(iv) Within Franchisee's Protected Area, and notwithstanding any other provision hereof, to establish and operate restaurants or acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license to others the right to own and operate, restaurants, including without limitation, restaurants offering ground beef sandwiches, ice cream products or other products similar to those offered by Franchisee under the System and Marks and notwithstanding such restaurant's actual or threatened impact on sales at the Restaurant operated pursuant to this Agreement; provided, however, such restaurants (unless operated in a Captive Facility) shall not feature ground beef sandwiches or ice cream products as a primary product coupled with the following trade names: "STEAK N SHAKE", "STEAK N SHAKE BY BIGLARI", "TAKHOMASAK, "IN SIGHT IT MUST BE RIGHT", and "FAMOUS FOR STEAKBURGERS".

Section 1.5 Franchisee Obligations.

(A) Franchisee agrees to use its best efforts to develop and operate the Restaurant, to protect the Marks, and to promote the interest of the System and the Steak n Shake By Biglari brand for the Term of this Agreement and any renewal thereof.

(B) Franchisee accepts the grant of this Franchise and agrees to construct, maintain and operate its Steak n Shake By Biglari Restaurant only at the Authorized Location in accordance with the plans, specifications and procedures as set forth in the Franchisor's Manual and other applicable publications of Franchisor, as revised from time to time, and the terms of this Agreement. Franchisee agrees to use the Restaurant only for the purpose designated in this Agreement.

(C) Franchisee is responsible for hiring employees of good character, and maintaining a sufficient number of properly trained managers and employees to render quick, competent and courteous service to Restaurant customers in accordance with Franchisor's standards as set forth in the Manual and other publications. Franchisee agrees to comply with the entire System, as revised from time to time by Franchisor.

(D) Franchisee acknowledges that maintaining uniformity in every component of the operation of the System is essential to the success of the entire chain of Steak n Shake By Biglari Restaurants, including a Designated Menu (including the maximum, minimum, or other prices the Franchisor specifies for menu items and mandatory promotions); uniformity of food and beverage specifications, preparation methods, quality and appearance; and uniformity of facilities and service.

(E) Franchisee agrees to comply with the entire System, as revised from time to time by the Franchisor. Franchisee understands and agrees that due to the competitive nature of the restaurant business, presently unforeseen changes in consumer preferences, and/or presently unforeseen technological innovations, the System must not remain static, and in order to best serve the interests of the System, including the Franchisor and its franchisees, Franchisee expressly understands and agrees that Franchisor may from time to time change the components

of the System, including, but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those programs, products and services which the Restaurant is authorized to offer; and changing, improving or modifying the Marks. Subject to the other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, changes, additions, deletions and alterations, which may apply to the entire System, or may be limited to a particular concept (Quick-Service Restaurant only), or limited to a particular building prototype, and may include new or additional menu items, recipes, computer hardware, software, equipment, inventory, supplies or techniques.

(F) Franchisee (including its Owners or employees) shall at all times during the Term of this Agreement act with the utmost caution to protect Confidential Information, which is critical to promoting the interest of the System and the Marks. Additionally, Franchisee agrees to comply with all obligations of this Agreement respecting Confidential Information and Public Statements, as more specifically described in Article 10 herein.

(G) Franchisee agrees to keep the Restaurant in the highest degree of sanitation and repair and to meet and maintain the highest governmental standards and ratings applicable to the operation of the Restaurant.

Section 1.6 Management Requirements.

(A) At all times during the Term of this Agreement, Franchisee shall maintain a competent, conscientious, trained staff and management personnel in such number to comply with Franchisor's minimum requirements and comply with Franchisor's standards or metrics for guest satisfaction and service/drive-thru times in accordance with Franchisor's policies and procedures as set forth in the Manual. Franchisee must take all necessary steps to ensure that all of its employees preserve good customer relations and comply with any uniform and/or appearance policy Franchisor prescribes in the Manual.

(B) The Restaurant shall at all times be supervised by a manager and at all times during this Agreement, all of Franchisee's managers will have attended and successfully completed the prescribed manager training program of Franchisor and all subsequent manager training, refresher and retraining programs offered from time to time by Franchisor, which training programs shall take place at a Certified Training Facility. At least one General Manager will be a full-time manager on the premises or with reasonable availability to the premises at all times to carry out the General Manager's day-to-day responsibilities and will have completed the Franchisor's then-standard training required by Franchisor as set forth in the then-current Manual. The General Manager will refrain from operational or management commitments in other businesses (except other Steak n Shake By Biglari Restaurants operated under franchises granted by the Franchisor) which would in any way affect the management duties required hereunder. Franchisor reserves the right to require that for a Quick-Service Restaurant, Franchisee shall offer annual compensation to the General Manager (based on salary, bonus, and fringe benefits) of a minimum of Seventy Thousand Dollars ($70,000). Additionally, the General Manager and Restaurant Manager shall meet the following criteria, as determined by Franchisor:

(i) must have a track record of successfully owning or managing restaurants similar to Steak n Shake By Biglari Restaurants, as determined by Franchisor;

(ii) must possess good moral character, and have the aptitude and ability to conduct the business contemplated by this Agreement, as determined by Franchisor;

(iii) must be authorized by the Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement;

(iv) must devote his or her full time and best efforts to the satisfaction of Franchisee's obligations under this Franchise Agreement and the daily operations of the Restaurant (along with other Steak n Shake By Biglari Restaurants operated by Franchisee if Franchisee operates more than one Steak n Shake By Biglari Restaurant); and

(v) must live within the general area of the Restaurant.

If Franchisor determines that all of the criteria stated immediately above have been met, an Owner may serve as the General Manager. Any General Manager or Restaurant Manager hired by Franchisee shall satisfy all of the foregoing requirements as determined by Franchisor, and complete Franchisor's then-current training program. Any failure to comply with such requirements shall be deemed a material event of default by Franchisee.

Section 1.7 Franchisor Services.

(A) The Franchisor agrees to provide, or to cause an affiliate of the Franchisor to provide, to Franchisee, the following materials, benefits and services, all as hereinafter more fully set forth:

(i) Written criteria for site selection (if applicable) upon request;

(ii) Franchisor's standard prototype building plans and site plans (if applicable) in PDF format, including exterior and interior layouts for the Steak n Shake By Biglari Restaurant, which Franchisee is solely responsible for adapting to conform to the particular location and any lease or shopping center requirements, and to comply with all applicable laws, including but not limited to local codes and the Americans with Disabilities Act and having signed and sealed by a licensed design professional("Prototype Plans").

(iii) Standard layouts and specifications for fixtures, furnishings, interior design and decor, signs and equipment required as elements of the System;

(iv) A preopening management training program and such other training at such locations and for such periods as may be designated by the Franchisor from time to time in the Manual or otherwise in written or electronic format, subject to Section 5.3 of this Agreement;

(v) Assistance in connection with the Restaurant opening by Franchisee consistent with Franchisor's then-current training program offered to all System franchisees;

(vi) Access to one (1) copy each of the Manual, which Franchisor may elect to provide either in written or electronic format. Any additions and modifications thereto as the Franchisor may issue from time to time, in its discretion, to incorporate new developments or other changes in System standards, specifications, procedures, and techniques (including, to the full extent the law allows, the maximum, minimum, or other prices for products and services offered

and sold by Steak n Shake By Biglari Restaurants), and the list of approved suppliers will be provided to the Franchisee. Franchisee must pay the then-current replacement fee as established by the Franchisor for replacing the Manual or other materials;

(vii) A sample of the Franchisor's standardized chart of accounts, statement of earnings, balance sheet and other report formats to be used by Franchisee for purposes of reporting to the Franchisor, which Franchisor may elect to provide either in written or electronic format;

(viii) Periodic inspections and evaluations of Franchisee's operations and the condition of the Restaurant (including the kitchen area) (with or without prior notice) conducted at such intervals and in such a manner (including observation via cameras) as Franchisor determines in its sole discretion to determine the efficiency and quality of the operation and the faithfulness of compliance with the System; provided, however, Franchisor reserves the right to impose a reasonable fee for any inspections required as a follow-up after Franchisee's failure to comply with the terms of this Agreement or the Manual;

(ix) Training for new product rollouts and Franchisor's periodic inspections as generally provided to all System franchisees; and

(x) The Steak n Shake By Biglari advertising/marketing program(s) as developed and issued from time to time by the Franchisor for the benefit of the System under Section 6.2 and Section 7.1.

(B) Franchisor may, in its sole discretion, elect to outsource and/or subcontract certain of Franchisor's obligations set forth in this Agreement to subsidiaries, affiliates, contract employees, third-party vendors, and/or other third-party suppliers; provided any such outsourcing and/or subcontracting shall not discharge Franchisor from its obligations under this Agreement, and any such outsourced or subcontracted obligations shall be performed in accordance with the terms of this Agreement.

Section 1.8 Franchisee Organization, Authority, Financial Condition and Owners.

(A) Franchisee represents and warrants that:

(i) Franchisee is a validly existing Legal Entity in good standing under the laws of the state of its incorporation or organization (as applicable) (except if Franchisee is an individual, in which case, the foregoing representation shall not apply);

(ii) Franchisee is duly qualified and is authorized to do business and is in good standing in each jurisdiction in which its business activities or the nature of the properties owned by it requires such qualification;

(iii) the execution and delivery of this Agreement and transactions contemplated hereby are within Franchisee's authority and have been duly authorized by the Franchisee;

(iv) unless Franchisee is an individual, the articles of incorporation and by-laws

or articles or organization (as applicable) of Franchisee delivered to Franchisor are true, complete and correct, and there have been no changes therein since the date thereof;

(v) the financial statement of Franchisee and, if applicable, the financial statements of each Owner previously delivered to Franchisor are true, complete and correct, and fairly present the financial positions of Franchisee and each Owner, respectively, as of the date thereof, and were prepared in accordance with generally accepted accounting principles; and

(vi) there have been no materially adverse changes in the condition, assets or liabilities of Franchisee or its Owners since the dates or dates of the financial statements references in subsection (v) above.

(B) Franchisee covenants that during the Term of this Agreement:

(i) if Franchisee is a Legal Entity, Franchisee shall do or cause to be done all things necessary to preserve and keep in full force its legal existence and shall be in good standing in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualifications;

(ii) Franchisee shall have the legally binding authority to carry out the terms of this Agreement;

(iii) if Franchisee is a Legal Entity, Franchisee shall print, in a conspicuous fashion on all certificates representing shares or units of its stock when issued, a legend referring to this Agreement and the restrictions on and obligations of Franchisee and Owners hereunder, including the restriction on the Transfer of Franchisee's shares (if applicable);

(iv) Franchisee and its Owners, if applicable, shall provide Franchisor with such financial information as Franchisor may reasonably request from time to time provided such information is reasonably related to Franchisee's and its Owners' obligations pursuant to this Agreement. Franchisor agrees to maintain the confidentiality of financial information pertaining to any Owner (subject to judicial order or applicable government requirements provided that Franchisor provides the Owner with advance written notice of such disclosure and an opportunity to interpose any objection to such disclosure); and

(v) Franchisee represents, warrants and covenants that all Owners in the Franchise are set forth on **Appendix A** hereto, and that no loss or addition of a Principal Owner will be made other than as permitted by this Agreement, and consented to in writing by an officer of Franchisor. Notwithstanding the foregoing, Franchisor shall not unreasonably withhold, delay or condition its consent if the Franchisee only seeks to add a Principal Owner and the Principal Owners previously approved by Franchisor remain bound by the terms of any agreements previously executed with Franchisor provided that the proposed Principal Owner otherwise meets all requirements set forth herein. Franchisee agrees to furnish Franchisor with such evidence as Franchisor may request from time to time, for the purpose of assuring Franchisor that the ownership interests of Franchisee remain as represented herein.

(C) Each Principal Owner shall execute a written agreement with the Franchisor personally guaranteeing the full payment and performance of Franchisee's obligations to the Franchisor and personally agreeing to be bound, jointly and severally, by all terms of this Agreement, including, without limitation, the restrictions on assignment in Article 13 and the Restrictive Covenants set forth in Article 12, the form of which is attached hereto as **Appendix B-1**.

Article 2. Term and Renewal

Section 2.1 Term. Subject to earlier termination pursuant to the provisions of this Agreement, the "Initial Term" of this Agreement shall commence upon the Effective Date and shall expire:

(A) For a Quick-Service Restaurant, on **the earliest of**: (i) the tenth (10th) anniversary of one hundred twenty (120) days from the Effective Date of this Agreement; (ii) the tenth (10th) anniversary of the date that the Restaurant is open for business to the public; provided, however, Franchisee operating a Quick-Service Restaurant shall have two (2) options to extend the Term of the Franchise for periods of five (5) years each if Franchisee meets the conditions of renewal set forth in subsections (A), (B), (C), (E), (F) and (H) of Section 2.2 herein and executes Franchisor's then-current form of standard Unit Franchise Agreement, which agreement shall supersede this Agreement in all respects, except the Royalty and System Fee, License Fee, and Digital and Production Fund Fee shall be amended to reflect the amounts set forth in this Agreement (hereinafter referred to as the "Term") for a Quick-Service Restaurant.

(B) Following the Restaurant opening, Franchisor and Franchisee shall execute a Rider, in a form substantially similar to the attached **Rider 1** memorializing the date the Restaurant first opened for business and the expiration date of this Agreement.

(C) Franchisee agrees to operate the Restaurant at the Authorized Location for the entire Term of this Agreement unless the Restaurant is relocated pursuant to the terms for relocation set forth in Article 3 herein.

Section 2.2 Renewal. If all of the following criteria are satisfied, Franchisee may renew this Franchise to use the System, and the Franchisor shall cause Licensor to renew Franchisee's license to use the Marks, at the Restaurant for one additional Term equal to the term in the Franchisor's standard form of Unit Franchise Agreement as it exists on the renewal date. For a Quick-Service Restaurant, the renewal Term provided by this Section 2.2 shall be in addition to the two extensions which may be exercised by Franchisee in accordance with Section 2.1(B).

(A) Franchisee gives the Franchisor written notice of its intention to renew this Franchise not less than six (6) months, nor more than twelve (12) months, prior to the end of the then-current Term.

(B) Franchisee is in "good standing" and not otherwise in default of any provision of this Agreement, or any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor, or any subsidiary or affiliate of Franchisor, and Franchisee has fully and faithfully performed all of Franchisee's obligations throughout the term of this Agreement. For the purposes of this Agreement, Franchisee shall be considered in "good standing" if

Franchisee is in compliance with the terms and conditions of this Agreement and the following conditions:

(i) Any and all amounts owed to Franchisor and/or its Affiliates under any agreement between Franchisor and Franchisee, are current (i.e., there are not amounts delinquent), including but not limited to royalty and service fees, licensing fees, and Digital and Production Fund Fees, etc., and all related documents, reports and financial statements have been provided as required by Franchisor;

(ii) Franchisee's operation of any and all restaurants and/or other businesses operated under any agreement between Franchisee and Franchisor (or any parent, subsidiary or Affiliate of Franchisor) are in compliance with the standards set forth in the respective franchise agreements and manuals applicable to such restaurants and/or businesses, including but not limited to Franchisor's then-current training requirements;

(iii) Franchisee does not, at such time, operate any Steak n Shake By Biglari restaurant which has failed to meet Franchisor's minimum quality, service and/or cleanliness ("QSC") standards and/or Franchisor's standards or metrics for guest satisfaction and service times applicable to such restaurant;

(iv) Franchisee is in compliance with all the material terms and conditions of any and all agreements between Franchisee and Franchisor, including but not limited to, any franchise agreement, development agreement, lease agreement, promissory note, etc.; and

(v) There is, at such time, no pending or threatened litigation between Franchisee and Franchisor (or any parent, subsidiary of Affiliate of Franchisor).

(C) Franchisee has paid or otherwise satisfied all monetary obligations owed by Franchisee to Franchisor, Licensor and their Affiliates and any indebtedness of Franchisee which is guaranteed by Franchisor, and Franchisee has timely paid these obligations throughout the term of this Agreement.

(D) Franchisee executes the Franchisor's then-current form of standard Unit Franchise Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including without limitation a higher percentage Royalty and System Fee and/or License Fee, a different term or higher Digital and Production Fund Fee and/or marketing expenditure requirements (or new methods of computing same), if any. Notwithstanding the foregoing, if Franchisee desires to exercise a five-year renewal option for a Quick-Service Restaurant pursuant to Section 2.1(B), the Royalty and System Fee, License Fee, and Digital and Production Fund Fee obligations set forth in the then-current form of standard Unit Franchise Agreement shall be amended to reflect the amounts set forth in this Agreement.

(E) Franchisee, its managers and any other employee of the Franchisee attend and satisfactorily complete such retraining or refresher training program as the Franchisor may require, in its sole discretion, to ensure Franchisee's compliance with the then-current training

program applicable to the System, at such time and place as the Franchisor may reasonably designate.

(F) At least four (4) months prior to the expiration of the current Term of this Agreement, Franchisor will have the right to inspect the Restaurant and give notice of all required modifications, upgrades, renovations, remodeling, repairs and replacements to the Restaurant premises, décor, Equipment and Furnishings, signage, and Required Technology necessary to comply with Franchisor's then current standards and specifications (which may be applicable to Franchisee's particular prototype building or the concept which Franchisee operates rather than applicable to the entire System). If Franchisee elects to renew this Agreement, Franchisee shall complete, to Franchisor's satisfaction, all such required modifications and adopt and implement any new methods, programs, modifications, techniques or operational systems required by Franchisor's notice no later than one (1) month prior to expiration of the current Term of this Agreement.

(G) Franchisee pays to Franchisor a renewal fee equal to fifty percent (50%) of the Franchise Fee payable by franchisees prevailing at the renewal date applicable to the format of Steak n Shake By Biglari Restaurant being operated by Franchisee, payable at least thirty (30) days prior to the renewal date.

(H) Franchisee executes an agreement with the Franchisor agreeing to release any claims, known or unknown, Franchisee may have against the Franchisor or its Affiliates at the time of the renewal.

Article 3 Site Selection, Restaurant Construction, Opening and Maintenance

Section 3.1 Deadline for Site Submission; Location and Lease Restrictions; Relocation.

(A) Deadline for Site Submission. Franchisee desires to construct and operate a Steak n Shake By Biglari Restaurant at a location described in **Appendix A**, which, unless an exact location or legal description is contained in **Appendix A**, shall be subject to the Franchisor's acceptance once Franchisee identifies the exact location for the site, which identification shall occur no later than seventy (70) days following the Effective Date of this Agreement by submission of a Site Development Rationale, Letter of Intent (or in lieu thereof a purchase agreement draft or lease draft, as applicable) and Site or Floor Plan ("Location Package") in such form as Franchisor may prescribe from time to time. Franchisee is not required to execute a Lease or purchase the property within this initial seventy (70) day period but merely identify a particular location for Franchisor's review and submit a completed Location Package. If Franchisee fails to identify a location for the Restaurant and submit a Location Package to Franchisor within seventy (70) days of the Effective Date of this Agreement, Franchisor may elect to terminate this Agreement by written notice to Franchisee and retain the Franchise Fee. Franchisor shall have twenty eight (28) days to review the Location Package. If Franchisor does not provide a letter of acceptance for the proposed location within such twenty eight (28) day period, such silence shall be deemed rejection of the proposed location and Franchisee shall submit a Location Package for an alternate location no later than one hundred thirty-five (135) days following the Effective Date

of this Agreement. The Franchisee shall not proceed with development of the Steak n Shake By Biglari Restaurant on a proposed location until a letter of acceptance for the location is issued by the Franchisor.

(B) No Guaranty of Success. Franchisee acknowledges that the selection, procurement and development of a site for the Restaurant is solely Franchisee's responsibility. Franchisee acknowledges that Franchisor's consent to a prospective site and any guidance or feedback provided for a particular location does not constitute a representation, promise, warranty or guaranty by Franchisor that the Restaurant operated at that site will be profitable or otherwise successful. Additionally, Franchisor assumes no liability or responsibility for: (i) evaulation of the site's soil for hazardous substances; (ii) inspection of any structure on the site for asbestos or other toxic or hazardous materials; (iii) compliance with the Americans With Disabilities Act ("ADA"); or (iv) compliance with any other applicable law. Franchisee acknowledges and agrees that it is Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that the site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

(C) Lease Requirements. Franchisee acknowledges and agrees that Franchisee shall be the sole named tenant on any lease for the Authorized Location, unless otherwise approved in writing by an office of Franchisor. If the property at the Authorized Location will be leased or subleased by Franchisee from a third party (including an Affiliate of Franchisee), Franchisee agrees to furnish the Franchisor with a copy of Franchisee's proposed lease or sublease prior to execution, which shall be subject to Franchisor's approval which shall not be unreasonably withheld, conditioned or delayed; provided, however, the lease must contain those provisions contained in **Appendix C** attached hereto (the "Addendum to Lease"), which terms, as applicable to Franchisee, are incorporated herein by reference. The Franchisor retains approval rights as to any revisions to the Addendum to Lease. Franchisor does not, by virtue of approving the Lease or Sublease, assume any liability or responsibility to Franchisee or any third party, as such review is intended solely to ensure that the Lease allows the development and operation of a Steak n Shake Restaurant consistent with Franchisor's standards.

i. Franchisee agrees with the following provisions set forth in the Addendum to Lease: (a) in the event of any breach or claim by the Landlord under the Lease by Franchisee, said Landlord shall be obligated to notify Franchisor in writing whereupon Franchisor or an Affiliate shall have the right, but not the obligation, to cure such breach and (at Franchisor's option) succeed to Franchisee's rights thereunder; (b) in the event of the termination of this Agreement as a result of Franchisee's breach hereof, and upon Franchisor's or such Affiliate's written election to Franchisee and its Landlord to be made within 10 days after the date of said termination, Franchisor or its Affiliate shall have the right to succeed to Franchisee's rights under the Lease; and (c) if Franchisor does not elect the foregoing right to succeed to Franchisee's rights under the lease, Landlord shall permit Franchisor to have reasonable access to the leased premises for the purpose of de-identifying the Franchised Restaurant such that it will no longer be recognized as a Steak n Shake by Biglari Restaurant.

ii. If Franchisor or its Affiliate elects to succeed to Franchisee's rights under the Lease, as aforesaid, Franchisee shall assign to Franchisor or such Affiliate all of its right, title and interest in and to said Lease. Franchisee shall execute and deliver to

Franchisor or such Affiliate such assignment and take such further action as Franchisor or such Affiliate, as applicable, in its sole and absolute discretion, may deem necessary or advisable to effect such assignment, within ten (10) days after written demand by Franchisor or such Affiliate to do so, and upon Franchisee's failure to do so, Franchisor or such Affiliate shall be, and hereby is, appointed Franchisee's attorney in fact to do so. This power of attorney granted by Franchisee to Franchisor or such Affiliate is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Franchisee.

iii. Any sum expended by Franchisor or such Affiliate to cure Franchisee's breach of the Lease (including but not limited to payment of back rent and other payments due under the Franchisee's Lease, and the costs incurred in restoring the Premises in good working order and repair) shall be deemed additional sums due Franchisor or its Affiliate hereunder and Franchisee shall pay such amount to Franchisor or its Affiliate within ten (10) days following demand. The covenants of Franchisee contained in this Section 3.1(D) shall survive termination of this Agreement.

iv. If Franchisee leases the Restaurant property, Franchisee shall deliver to Franchisor the fully executed lease incorporating the Addendum to Lease within five (5) days of execution of such lease.

v. Any lease or sublease shall not contain any covenants, use clauses or other obligations that would prevent Franchisee from performing its obligations under this Agreement, nor may such lease or sublease contain a radius restriction prohibiting the operation of a Steak n Shake Restaurant (whether operated by Franchisee, Franchisor or another franchisee) which applies to any area beyond the Protected Area granted pursuant to this Agreement (if applicable).

vi. Franchisee agrees not to amend or otherwise modify the lease or sublease in any manner that would affect any of the foregoing requirements. including the Addendum to Lease without the prior written consent of Franchisor, which consent shall not be unreasonably withheld.

vii. If any person(s) will guaranty the Lease and such person(s) are not disclosed as an Owner in Appendix A attached hereto, Franchisee must disclose the guaranty and any consideration to be received by the guarantor in exchange for the guaranty, which shall be subject to Franchisor's review and approval.

(D) Requirements for Owned Locations. If Franchisee will own the Authorized Location, Franchisee shall be the sole and fee simple owner of the Authorized Location and the property shall be subject to a Declaration of Franchise Agreement in favor of the Franchisor in the form attached hereto as **Appendix D**, which states that any transfer of ownership in the Property (including but not limited to a sale leaseback to an affiliate of franchisee) is subject to the terms and conditions set forth in this Franchise Agreement**.** If Franchisee owns the Property, a recorded Declaration of Franchise Agreement in the form attached hereto as **Appendix D** shall be delivered to Franchisor prior to Franchisee beginning construction on the Restaurant.

(E) Restrictions on Relocation. Franchisee may not relocate the Restaurant to a new location until the Franchisor reviews the proposed location and issues a letter of non-objection, which review shall be based upon various factors, including but not limited to the success of the

Restaurant at its then-current location, and the demographics (including number of households and traffic patterns) relating to the proposed new location. Any such relocation will be at Franchisee's sole expense. The Franchisor may charge Franchisee for reimbursement of all of Franchisor's reasonable costs and expenses in connection with Franchisor's review of the proposed substitute location and such relocation.

(F) Confidentiality Regarding Selected Location. Franchisee shall not issue any press releases or make any statements to the general public disclosing any locations Franchisee is considering for a Steak n Shake By Biglari Restaurant, except in connection with obtaining government permits and approvals. Franchisee shall require all brokers representing Franchisee to execute a confidentiality agreement prohibiting the broker from issuing any press releases or making any public statements regarding the potential development of the subject location as a Steak n Shake By Biglari Restaurant (except in connection with obtaining government permits and approvals) unless and until an officer of Franchisor has issued its advanced written approval for such public statements.

Section 3.2 Construction of Restaurant and Opening Conditions.

(A) Franchisor's Consent to Architect. Franchisor recommends that Franchisee utilize an experienced architect who has previously worked on other Steak n Shake By Biglari restaurants. A list of architects who have previously worked on Steak n Shake restaurants will be provided by Franchisor upon request. If Franchisee intends to utilize an architect who does not appear on Franchisor's pre-qualified list, Franchisee must obtain Franchisor's prior written consent to the architect selected. A list of the information required for Franchisor's review is attached hereto in **Appendix F.** Franchisee may not initiate development until this consent is received. Steak n Shake Prototype Plans in CAD (dwg) format will be released to Franchisee's architect following Franchisor's consent to the architect, and the architect's completion of any non-disclosure agreement and indemnity agreement reasonably required by Franchisor's architect of record**.** Franchisee is solely responsible for the cost of CAD ready drawings required by Franchisor's architect of record**.** In the event that Franchisee is converting an existing building to a Steak n Shake By Biglari Restaurant, Franchisor retains the right to approve all elements (interior and exterior) of the conversion.

(B) Plan Submission Deadlines.

(i) Site Plans. No later than forty-five (45) days after the Franchisor issues a letter of non-objection for the proposed location of the Restaurant (or forty-five (45) days following execution of this Agreement if an exact location is identified in **Appendix A** attached hereto), Franchisee will have its local architect and engineer prepare for the Franchisor's review and approval, plans and specifications for site improvement (if applicable) and construction of the Restaurant based upon the Prototype Plans furnished by Franchisor. The Prototype Plans provided to Franchisee are proprietary and confidential information belonging to Franchisor, may not be copied or reproduced except to the extent necessary by Franchisee's architects, engineers or contractors in the performance of their duties to develop a Restaurant, including submission of such plans to applicable government agencies and landlords.

(ii) Building Plans. Within ninety (90) days after the Franchisor issues a letter of non-objection for the proposed location of the Restaurant (or ninety (90) days

following execution of this Agreement if an exact location is identified in **Appendix A** attached hereto), Franchisee shall have its architect/engineer develop a complete set of plans that are based on the Franchisor's Prototype Plans, and conform such plans and specifications to the particular location in compliance with local building and zoning codes.

(C) Plan Approval.

(i) Franchisee shall submit its proposed site plans (if applicable), building plans and construction drawings for the Restaurant (the "Proposed Plans") to Franchisor for Franchisor's review and approval. Franchisor may designate an Affiliate to review the Proposed Plans. Franchisor does not charge for its initial review of the adaptation of the Proposed Plans; however, after Franchisor's initial review, Franchisor (or its affiliates) may charge a fee of $1,000 for each set of drawings Franchisor (or its Affiliates) must review proposing any changes or deviations from the Franchisor's Prototype Plans, including changes proposed by the local government or third parties (such as landlords or shopping center owners or approving parties).

(ii) Franchisor shall have a reasonable period of time to review the Proposed Plans and provide comments to Franchisee. If Franchisor requires any changes to the Proposed Plans, Franchisee must revise and resubmit its Proposed Plans to Franchisor and Franchisee is responsible for the cost of revisions to the Proposed Plans. Franchisee may not commence construction until Franchisor has issued its written approval of Franchisee's Proposed Plans (the "Approved Plans"). Franchisee acknowledges and agrees that the layout and design of the Restaurant must conform in all respects to Franchisor's design standards and specifications and Franchisee must obtain Franchisor's written approval of the final building and site plans prior to applying for a building permit or commencing construction. Both Franchisee and Franchisor agree to use reasonable efforts to finalize promptly the Proposed Plans. Once approved, no change can be made to the Approved Plans during construction or installation, except as Franchisor may reasonably require or approve in writing. Franchisee hereby releases and shall hold Franchisor harmless (including its subsidiaries, officers, directors, employees, and agents) from any and all liability, loss, or damages relating to Franchisee's design, construction, and use of any Restaurant developed pursuant to this Agreement including, without limitation, liability, loss, or damages related to design or structural flaws in the construction of the Restaurant and/or Franchisee's use of the Prototype Plans.

(D) Permitting. Permitting for the building and improvements for the Restaurant with the local governing body will begin as soon as possible after Franchisee receives written notice from the Franchisor of its approval of the final building and site plans and specifications. The Franchisor may require Franchisee to utilize at its sole cost and expense permit expediters or similar services provided by third parties if Franchisor reasonably determines that the Franchisee has fallen behind schedule due to Franchisee's failure to diligently pursue all necessary permits and approvals after Franchisor has provided Franchisee with thirty (30) days' notice and, following such notice, Franchisee remains behind schedule and as a result thereof, Franchisee is not likely to open for business to the public prior to the Required Opening Date as defined in Section 3.2(F) herein. The building and improvements will be constructed in strict compliance

with the final plans and specifications, as approved by the local governing body and the Franchisor (the "**Permitted Plans**").

(E) General Contractor. Franchisee shall obtain Franchisor's prior written consent to the general contractor Franchisee hires to construct the Restaurant to ensure compliance with Franchisor's design and quality standards; provided, Franchisor's consent shall not be unreasonably withheld, conditioned or delayed, nor shall such consent be construed as a representation or warranty of any kind as to the general contractor's qualifications or quality of work. Franchisee is solely responsible for contracting with the general contractor and managing the quality and progress of the general contractor's work.

(F) Required Opening Date. If Franchisee has a current Area Development Agreement with Franchisor, the Restaurant shall open for business in accordance with the Development Schedule. Otherwise, Franchisee shall open for business no later than twelve (12) months after the Effective Date of this Agreement (the "Required Opening Date"), unless a different time period is indicated in **Appendix A** attached hereto.

(G) Extension Fee. If Franchisee is unable to open for business to the public on or before the Required Opening Date, Franchisee may elect to extend the Required Opening Date by providing written notice to Franchisor along with a non-refundable extension fee in the amount of Five Thousand Dollars ($5,000) ("Extension Fee") for each ninety (90) day extension of the Required Opening Date; provided that the Extension Fee is delivered to Franchisor either by certified funds or wire transfer on or before the Required Opening Date. Franchisee shall only be entitled to two (2) ninety (90) day extensions of the Required Opening Date.

(H) Final Walk Thru. The Franchisor and/or its affiliated entities will have the right, in the Franchisor's discretion, to observe the construction at any reasonable time. At least seven (7) days and not more than fourteen (14) days in advance of Franchisee's opening of the Restaurant, Franchisee will, by written notice, request the Franchisor to perform a final review. At that time, the Franchisee will provide the Franchisor with written confirmation from the Franchisee's architect/engineer that the building and site improvements have been constructed in accordance with the Permitted Plans. Franchisee shall commence operation of the Steak n Shake By Biglari Restaurant as soon after completion of said building and installation of furnishings and equipment as is reasonably possible, but not before the Franchisor's written consent to the opening. Franchisor reserves the right to require Franchisee to deliver to Franchisor copies of the executed final lien waivers for all contractors, and Franchisee agrees to provide promptly following Franchisor's request, and advise if any bona fide disputes exist and keep Franchisor apprised on resolution of any such disputes.

(I) Restaurant Opening. Franchisee must obtain Franchisor's written consent prior to opening the restaurant to the public for business in the form attached hereto as **Rider 3,** which consent shall not be unreasonably withheld, conditioned or delayed, but cannot be granted until Franchisor has approved the Restaurant location and the Franchisee has:

(i) constructed and equipped the Restaurant in accordance with the final Approved Plans, and upon, request by Franchisor, upon completion of the construction, and prior to opening, Franchisee shall cause its architect to provide to Franchisor a certification that the Restaurant was constructed in accordance with the Approved Plans and that the Approved Plans comply with all applicable laws and codes.

(ii) hired and trained a staff in accordance with the requirements of this Agreement and the Manual;

(iii) paid the Franchise Fee, and any other amounts then due to Franchisor;

(iv) signed this Agreement and all other agreements required herein, including, but not limited to, the Authorization Agreement in the form attached hereto as **Appendix E**;

(v) obtained a certificate of occupancy and any other required health, safety or fire department certificates and copies of such documents have been delivered to Franchisor;

(vi) delivered to Franchisor copies of certificates for all insurance policies required by this Agreement or such other evidence of insurance coverage as Franchisor reasonably may request;

(vii) provided a complete and accurate signed copy of the deed or lease for the Restaurant property (as applicable) and submitted the Declaration of Franchise Agreement or Addendum of Lease as required herein;

(viii) provided a signed original Personal Covenants and Personal Guaranty from each Principal Owner, along with all documents required herein for the Legal Entity which is the Franchisee; and

(ix) otherwise complied with all terms and conditions contained in this Agreement or any other agreements with Franchisor.

(J) Restoration Following Damage or Destruction. In the event the Restaurant is damaged or rendered totally or partially untenantable by fire or other casualty, Franchisee shall, within thirty (30) days, initiate repairs to the Restaurant property and diligently pursue the completion of such repairs in order to restore the Restaurant property to its former condition prior to the casualty within a reasonable time, not to exceed six (6) months after the date of the fire or casualty, which time period may be extended for delays resulting from acts of God, Force Majeure and other causes beyond the reasonable control of Franchisee, provided Franchisee continues to diligently pursue the completion of such repairs, and the repairs are completed within one (1) year of the date of fire or other casualty. If, in the Franchisor's reasonable judgment, the damage or destruction is so extensive that substantial cost and effort will be expended in restoring the Restaurant property, the Franchisor may require Franchisee, by giving written notice thereof, to restore the Restaurant property in conformance with the then standard Steak n Shake By Biglari Restaurant decor specifications. Notwithstanding anything herein to the contrary, Franchisee shall not be required to repair or restore the Restaurant property if such damage occurs during the final year of the Franchise unless the Franchisor agrees to extend the Franchise pursuant to Section 2.2. Franchisee shall be solely responsible for the cost associated with restoring the Restaurant property.

(K) At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Franchisee in the State of Maryland, including payments for goods and services Franchisor receives from the Franchisee before any Restaurant opening in the State of Maryland.

Section 3.3 Installation of Equipment and Furnishings.

(A) Franchisee must install and use in and about the Restaurant only such equipment (including, but not limited to, food and beverage preparation equipment, fixtures, furnishings, interior and/or exterior signage and air handling equipment) and other personal property which strictly conforms to the appearance, uniform standards, specifications and procedures of the Franchisor and the System, as may be revised from time to time in Franchisor's sole discretion. Such equipment is sometimes referred to herein collectively as "**Equipment and Furnishings**." Franchisee shall purchase and install all Equipment and Furnishings listed on the equipment and furnishings list in the Manual, as revised from time to time by Franchisor from suppliers approved by Franchisor. Franchisor shall have the right to and do retain any rebates or incentives offered by such vendors or suppliers. Franchisor reserves the right to be the sole supplier of any Equipment and Furnishings and may derive revenue from such purchases. The Franchisor shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure Franchisee's compliance with the Franchisor's standards and specifications; and

(B) Franchisee must install all vending machines, video games, gum or candy machines, rides or other similar devices ("Vending Machines") as Franchisor may require from time to time, except as prohibited by applicable law. Franchisee is responsible for ensuring that its lease agreement will allow installation of Vending Machines. Franchisee shall not install any Vending Machines without Franchisor's prior written approval, which may be withtheld in Franchisor's sole discretion. Franchisee acknowledges and agrees Franchisor shall have the right to require Franchisee to contract with desginated vendors or suppliers of Vending Machines, which may include Franchisor and/or its affiliates. In lieu of collecting Royalty and System, Licensing, and Digital and Production Fund Fees from the sales of Vending Machines, Franchisor shall have the right to receive seven percent (7%) of the Gross Receipts from Vending Machine sales directly from the vendor on a monthly basis.

Section 3.4 Maintenance and Renovation of the Restaurant Property, Equipment and Furnishings.

(A) General Repair and Maintenance**.** Franchisee agrees to continuously maintain the interior and exterior condition and appearance of the Restaurant in the highest degree of cleanliness, orderliness, sanitation and repair in accordance with Franchisor's prescribed standards of quality, service and cleanliness, and in connection therewith Franchisee shall make such repairs and replacements thereto as may be required for that purpose, including without limitation, such periodic repainting, replacement of floor coverings, wall coverings, light fixtures, furniture, fixtures and other décor items as such items become worn out, soiled or are in disrepair, as Franchisor may reasonably direct. All replacement fixtures, equipment, décor items, supplies and other items used in the Restaurant must comply with Franchisor's then-current standards and specifications. Franchisee shall be solely responsible for the expense of such maintenance. If at any time, in the Franchisor's reasonable judgment, the general state of repair, appearance or cleanliness of the Restaurant property does not meet the Franchisor's standards, the Franchisor will so notify the Franchisee in writing, specifying the action to be taken by the Franchisee to correct such deficiency, and the Franchisee will promptly comply with the Franchisor's requirements. Franchisee's failure to comply with such request upon reasonable notice shall be deemed an event of material default pursuant to Section 11.1 (B) herein.

(B) Equipment for New Menu Items. Franchisee shall purchase any additional equipment and smallwares as Franchisor deem reasonably necessary in connection with new menu items. If Franchisor requires Franchisees to begin offering a new menu item that requires the purchase of additional equipment, a reasonable period of time, as determined in Franchisor's sole discretion, shall be provided for the purchase and installation of any such equipment before such new menu items must be offered for sale at the Restaurant. Franchisee's failure to comply with such request upon reasonable notice shall be deemed an event of material default pursuant to Section 11.1 (B) herein.

(C) Minor Renovations. Franchisor may periodically require Franchisee to complete minor renovations to the interior and exterior of the Restaurant, including but not limited to painting, new or replacement wall art, and other minor non-structural alterations if similar modifications are required by the Franchisor to a majority of the Steak n Shake By Biglari Restaurants of the same concept and similar age within the US. A reasonable period of time, as determined in Franchisor's sole discretion, shall be provided for such minor renovations. Franchisee's failure to comply with such request upon reasonable notice shall be deemed an event of material default pursuant to Section 11.1 (B) herein.

(D) Remodeling. Franchisee shall, upon request by the Franchisor, make such improvements, alterations, repairs and replacements to the Restaurant premises, Equipment and Furnishings, signs, interior and exterior décor, and other products and materials required for the operation of the Restaurant to Franchisor's then-current System standards and specifications which may be limited to the prototype building in which Franchisee operates its Restaurant rather than the entire System or the concept which Franchisee operates provided, however, such improvements or alterations shall not be required more often than every five (5) years, or such earlier date that similar improvements or alterations are required by the Franchisor to a majority of the Steak n Shake By Biglari Restaurants of the same concept and similar age within the US. Expenses necessary for the general repair and maintenance of the Restaurant, new equipment for new products, minor renovations described in subsection (C) above and alterations and replacement of Required Technology, signage and/or logo are not subject to the time limitations described in the preceding sentence. If required, Franchisee shall prepare and complete drawings and plans for the required modernization and these drawings and plans must be submitted to Franchisor for approval prior to the commencement of work. Franchisee agrees to make such changes, alterations and/or improvements at Franchisee's sole cost and expense within a reasonable period of time as determined by Franchisor in its sole discretion taking into consideration the time reasonably necessary for Franchisee to obtain any applicable permits. Franchisee's failure to comply with such request upon reasonable notice shall be deemed an event of material default pursuant to Section 11.1 (B) herein.

(E) Variance of Standards. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System or one or more components thereof. Accordingly, Franchisor has the right to vary the Designated Menu and other standards, specifications, and requirements for any Steak n Shake By Biglari Restaurant based upon the customs or circumstances of a particular franchise or Franchise Agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance, or any other condition that Franchisor deems to be of importance to the operation of such restaurant, another franchisee's business, or the System or one or more components thereof. Franchisor is not required to grant to Franchisee

the same or similar variation as a result of any variation from standard Designated Menus, specifications or requirements granted to any other franchisee. Franchisee acknowledges that it is aware that other franchisees of Franchisor operate under a number of different forms of Franchise Agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to such other agreements may differ materially in certain instances from Franchisee's rights and obligations under this Agreement.

Section 3.5 Purchases from Non Approved Suppliers. If Franchisee desires to purchase or install any item that has not been specifically approved by the Franchisor, or to purchase an item of equipment manufactured to the Franchisor's specifications from a supplier that has not been pre-approved by the Franchisor, Franchisee shall submit to the Franchisor a written request for approval of such item or supplier. The Franchisor shall have the right to require, among other things, that a sample of the item to be delivered or manufactured be made available in a manner acceptable to the Franchisor or to an independent certified laboratory designated by the Franchisor for testing prior to acting on the request for approval. All costs and expenses related to such testing and evaluation shall be paid to the Franchisor by Franchisee. The Franchisor shall not be liable for any damage to sample items which may result from the testing process. The Franchisor reserves the right to retest any items previously approved by it and may revoke any prior approval if the item fails to continue to meet the Franchisor's standards and specifications. Unless Franchisor delivers an approval notice to the Franchisee within thirty (30) days after Franchisor receives a written request for approval of an alternate supplier or item, the request shall be deemed denied. If the Franchisor revokes the approval of any item or any supplier in writing or in the Manual, Franchisee shall not thereafter purchase such item from the supplier or use such item in connection with the operation of the Restaurant. Services or repairs on equipment must be performed only by qualified technicians authorized by the manufacturer to service such equipment. Under no circumstances will used equipment or smallwares be allowed, unless approved by Franchisor in its sole discretion.

Section 3.6 Required Technology.

(A) Franchisor shall have the right to specify or require that you use certain brands, types, makes, and/or models of communication, information technology and/or computer hardware and software and related equipment, including without limitation kiosks, menu boards, back office and point-of-sale systems (including but not limited to food cost management, supply management and labor management systems) and anti-virus software ("Required Software"), camera/surveillance systems, drive-thru systems (including timers and similar devices), communication (headsets), music systems and playlist, kitchen production system, computer network, printers and other peripheral hardware or devices; archival back-up systems, broadband access specifications including mode and speed, the tangible media upon which Franchisee shall record data; the database file structure for the point of sale system, and similar hardware, software or devices designed to enhance the efficiency of restaurant operations (collectively, the "Required Technology").

(B) Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate:

(i) the Required Technology, which Franchisee shall install at its expense;

(ii) updates, supplements, modifications, or enhancements to the Required

Technology, which Franchisee shall install at its expense;

(iii) the tangible media upon which Franchisee shall record data; and

(iv) the database file structure and network configuration of the Required Technology.

(C) Franchisee shall purchase the Required Technology from Franchisor or its Affiliates, or other vendors which Franchisor may approve in its sole discretion. While Franchisor shall not be required to approve an alternate vendor for the Required Technology as a condition to approving any new vendor, Franchisor may require that Franchisee pay:

(i) all costs and expenses related to Franchisor's testing and evaluation of the alternate supplier of the proposed Required Technology; and

(ii) Franchisor's then-current hourly rate for Franchisor's custom integration work or services required for Franchisor to retrieve or supply financial and operational data related to the Restaurant operations for such non-standard Required Technology. Franchisee acknowledges and agrees that the expenses set forth in this subsection (ii) will not be limited to a one-time fee, as the integration work will be required through the duration of the use of such non-standard Required Technology.

(D) Franchisor shall have the right at any time to remotely retrieve via electronic data transfer ("Polling") and use such data and information from Franchisee's point of sale system and back-office systems as Franchisor deems necessary or desirable. Franchisor reserves the right to collect (via broadband access) Franchisee's point of sale data, food cost and labor data in order to compile sales data, consumer trends, food and labor costs, and other such financial and marketing information as Franchisor deems appropriate, and Franchisee acknowledges and agrees that Franchisor may distribute this data to other franchisees or third parties on a confidential basis. Franchisee agrees to set up the systems to maintain and facilitate such Polling at all times during the Term of this Agreement and failure to do so except for temporary disruptions beyond Franchisee's reasonable control shall be deemed an event of default hereunder.

(E) Franchisee expressly agrees to comply strictly with Franchisor's standards and specifications for all items associated with Franchisee's Required Technology in accordance with Franchisor's standards and specifications. Franchisee agrees, at its own expense, to keep the Required Technology in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Required Technology as Franchisor directs from time to time in writing. Franchisee must obtain annual support contracts with the vendors designated by Franchisor, at Franchisee's expense, which may include support services provided by Franchisor for an additional fee at Franchisor's then-current prices for such support services. Franchisee is solely responsible for protecting itself from viruses, computer hackers and other privacy, data breach, and/or computer-related problems, and hereby waives any and all claims against Franchisor and its Affiliates relating to or arising out of any harm caused by such privacy, data breach, and/or computer-related problems. Franchisee must take steps necessary to comply with the "Payment Card Industry Data Security Standard" ("PCI DSS"), must validate compliance with the PCI DSS annually and subject its point of sale network to quarterly vulnerability scans. Also, Franchisee must put in place proper network security measures required by PCI DSS. Franchisor requires that Franchisee purchase PCI DSS validation, vulnerability

scanning services, and network security measures from a supplier approved by Franchisor. Franchisee agrees that its compliance with this Section shall be at Franchisee's sole cost and expense.

(F) Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the Term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Agreement were periodically revised by Franchisor for that purpose, which may require Franchisee to incur costs to purchase, lease or license new or modified computer hardware and software or to obtain service and support for Required Technology during the Term of this Agreement.

(G) Franchisee will, at its sole cost and expense, purchase and install the video surveillance system designated by the Franchisor to provide continuous real-time remote access via the Internet to all of those areas of the Restaurant as required by Franchisor. Currently there is only one approved surveillance system. Franchisee acknowledges and agrees that the purpose of the surveillance system is to verify compliance with the terms and conditions of this Agreement, to confirm whether Franchisee is maintaining the quality of service and products as required by Franchisor's standards and specifications and for any other purpose related to this Agreement and the relationship between the parties. Franchisee acknowledges and agrees that Franchisee shall remain solely responsible for all activities occuring within the Restaurant and Franchisor shall have no obligation to monitor the Restaurant for safety or security concerns or compliance with applicable laws and regulations. Franchisee agrees to indemnify and hold harmless Franchisor from any and all damges, claims, demands, actions, suits, proceedings or judgments of any kind or nature, by reason of any claimed act or omission by Franchisor arising soley from Franchisor's access to the surveillance. Franchisee acknowledges and agrees that ensuring that the highest standards of quality and service throughout the franchise System benefits all franchisees and Franchisor may require Franchisee to pay Franchisor a reasonable monthly fee generally applicable to System franchisees to compensate Franchisor for the resources required to support such monitoring capability.

(H) Franchisee acknowledges and agrees that Franchisor currently requires Restaurants to have upload broadband network connectivity of a minimum of 10Mb (or a lesser amount equal to the maximum upload bandwidth available at Franchisee's Restaurant location) and Franchisee agrees to contract directly with a broadband service provider at Franchisee's expense.

(I) Franchisee acknowledges and agrees that Franchisee must use Franchisor's approved network maintenance provider for hardware and support services to ensure PCI compliant network, logging, intrusion prevention, and compliance mandated updates.

(J) Franchisee acknowledges and agrees that Franchisor requires Franchisee to offer online/mobile ordering and a loyalty program and implementation of such technology with Franchisor's sole designated vendor shall be made at Franchisee's sole cost and expense.

In order to support evolving integrations that are related to our brand mobile app, Franchisor requires the use of an approved payment processing platform that is specifically integrated to support "above store" transactions, such as mobile and delivery orders. Franchisor may utilize more than one payment processing platform to maximize features.

(K) Franchisee acknowledges and agrees that Franchisor requires Franchisee to offer and participate in certain digital and delivery initiatives including without limitation, online/mobile ordering, loyalty programs, third party delivery services and certain digital menu management platforms. The implementation of such technology shall be with Franchisor's approved designated vendor and shall be made at Franchisee's sole cost and expense.

(L) At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Franchisee in the State of Maryland, including payments for goods and services Franchisor receives from the Franchisee before any Restaurant opening in the State of Maryland.

Section 3.7 Eminent Domain.

(A) If during the Term of this Agreement, there is a "Total Taking" or a "Material Partial Taking" (as defined in subsection (B) below) of the Restaurant property for any public use by an exercise of eminent domain, condemnation or by purchase under the threat of such power (hereinafter referred to as the "**Proceeding**"), either party may terminate this Agreement by written notice to the other no later than forty-five (45) days following the Effective Date of the Taking (as defined in subsection (B) below); provided, however, notwithstanding any notice by Franchisor to terminate the Agreement, Franchisee may elect to continue under the terms of this Agreement at a new Restaurant location, subject to Franchisor's consent to such new Restaurant location. Franchisee must notify Franchisor of such election to relocate and submit a Location Package for the proposed location to Franchisor within three (3) months of the date which is the later of: (i) Effective Date of the Taking; or (ii) the date upon which Franchisor delivers notice to Franchisee of its election to terminate this Agreement (if applicable). The terms of Sections 3.1 and 3.2 herein with respect to the new location shall apply in all respects. In order for this Agreement to continue, Franchisor must issue its consent to the new location proposed by Franchisee within six (6) months of the Effective Date of the Taking. If, following a Proceeding, Franchisee elects to relocate the Restaurant and Franchisor consents to the proposed location, the location and the Protected Area determined by Franchisor shall be set out in a new **Appendix A**, to be attached hereto and made a part hereof. Franchisor's consent to the location for the new Restaurant is within the sole discretion of the Franchisor in the exercise of Franchisor's reasonable business judgment. Criteria to be considered by the Franchisor may include whether the new location is in reasonable proximity to the Authorized Location and whether the new location infringes on the rights of any other then-existing Steak n Shake By Biglari franchisee or a Franchisor-operated Steak n Shake By Biglari Restaurant or is close proximity thereto. If the new Restaurant is not under construction within one hundred eighty (180) days after the Effective Date of the Taking and/or open for business within one hundred twenty (120) days after construction begins, subject to delays beyond Franchisee's reasonable control, Franchisor may elect to terminate this Agreement upon not less than thirty (30) days' notice to Franchisee.

(B) The right to elect to terminate this Agreement may be exercised by either party only if: (i) all of the Restaurant Property is acquired by the condemning authority (a "Total Taking"); or (ii) there is a Material Partial Taking of the Restaurant property. For purposes of this Agreement, **"Material Partial Taking"** is the taking of any portion of the restaurant building, the loss of twenty percent (20%) or more of the total parking area or the loss of twenty

percent (20%) or more of the total number of parking spaces on the Restaurant property or the loss of drive-thru facilities on the Restaurant property. The Term "Effective Date of the Taking" as used in this Agreement shall mean the date which is the later of: (i) the date that the order of taking is issued by a court of law; or (ii) the date upon which the condemning authority acquires legal title to the Restaurant property.

(C) If neither party terminates this Agreement and Franchisee continues to operate the Restaurant at the Authorized Location, Franchisee shall promptly repair or restore any damage to the Restaurant property resulting from the Proceeding in the manner set forth for fire and casualty losses in Section 3.2 herein.

Article 4 Supplies, Food Products, Recipe Items and Uniforms

Section 4.1 Use of Food Supplies and Other Items.

(A) The reputation and goodwill of Steak n Shake By Biglari Restaurants is based upon and can be maintained only by the sale of distinctive, high quality food products and beverages and the presentation, packaging and service of such products in a uniform and appealing manner. Franchisor has developed various food products, ingredients, seasonings, beverages and product mixes that will be prepared by or for Franchisor according to Franchisor's secret recipes and formulas. Franchisor has developed standards and specifications for food and beverage products, materials and supplies incorporated in or used in the preparation, cooking, serving and packaging of food products authorized for sale at Steak n Shake By Biglari Restaurants. Franchisor has and will periodically approve suppliers and distributors of the foregoing products that meet its standards and requirements including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations.

(B) Franchisee agrees:

(i) to serve, sell or offer for sale all of the (and only the) food and beverage products and merchandise that are listed in the then-current standard Designated Menu or menus specified by the Franchisor, meet the Franchisor's uniform standards of quality and portions), that have been prepared in accordance with the recipes and food handling and preparation methods and procedures designated from time to time in the Manual or otherwise in writing, and are supplied only by Franchisor approved vendors and/or suppliers;

(ii) to maintain in sufficient supply all of the food, beverage and other items served necessary to maintain service of all menu items during hours of operation;

(iii) not to deviate from the Franchisor's standards, specifications and procedures for serving or selling the same (including, to the fullest extent the law allows, the maximum, minimum, or other prices for products and services offered and sold by Steak n Shake By Biglari Restaurants and participation in mandatory marketing programs) which might, in Franchisor's discretion, promote particular prices for particular products) without the Franchisor's prior written consent;

(iv) to discontinue serving, selling or offering for sale any such items as the Franchisor may, in its discretion, disapprove in writing at any time; and

Section 4.2 Samples. Franchisee further agrees to permit the Franchisor, its affiliates, or their respective agents, at any reasonable time, to remove from the premises of Franchisee's Steak n Shake By Biglari Restaurant certain samples of any inventory items, without payment therefor, in amounts reasonably necessary for testing by the Franchisor or an independent certified laboratory to determine whether the samples meet the Franchisor's then-current standards and specifications.

Section 4.3 Suppliers of Food Supplies and Other Items.

(A) Use of Only Approved Suppliers/Distributors. Franchisee will purchase approved food products and other items only from sources approved by the Franchisor (which may include the Franchisor and/or its affiliates). The Franchisor may from time to time modify the list of approved items, brands, suppliers, and distributors, and Franchisee shall not, after receipt in writing of such modification, reorder any item or brand or reorder from any supplier or distributor which is no longer approved. The Franchisor is not obligated to make its supplier evaluation criteria available to the Franchisee or any supplier.

(B) Franchisor's Approval of Alternate Items or Suppliers. If Franchisee proposes to use or serve any food or beverage item or other ingredient or proposes to use any item, brand or supplier which is not approved at that time, it shall first notify the Franchisor and submit sufficient information, specifications and samples concerning such item, brand or supplier for a determination by the Franchisor whether such item or brand complies with the Franchisor's specifications and standards and whether such supplier meets the Franchisor's approved supplier criteria. The Franchisee must reimburse the Franchisor for the costs and expenses relating to the testing, research and investigation of proposed products, brands or suppliers. Unless Franchisor delivers an approval notice to the Franchisee within thirty (30) days after Franchisor receives a written request for approval of an alternate supplier or item, the request shall be deemed denied. Franchisor's approval of any such proposed item or supplier may be based on not only whether the item or supplier meets Franchisor's standards and specifications, but may also take into account the uniformity, efficiency, and quality of operation the Franchisor deems necessary or desirable in the System as a whole. Franchisor may concentrate purchases with one or more distributors or suppliers as Franchisor determines in its sole discretion to obtain lower prices and/or the best advertising support and/or services for any group of Steak n Shake By Biglari Restaurants franchised or operated by Franchisor. Franchisee acknowledges that Franchisor is likely to reject Franchisee's request for a new supplier or distributor without conducting any investigation if Franchisor or its affiliates already have a designated supplier or distributor for the product or material to be offered by the proposed distributor or supplier.

(C) Franchisor's Right to Revoke Prior Approvals. The Franchisor may revoke the Franchisor's approval of particular products or suppliers when the Franchisor determines that such products or suppliers no longer meet the Franchisor's standards. Upon receipt of written notice of such revocation, the Franchisee must cease purchasing products from such supplier.

Section 4.4 Uniforms. Franchisee shall purchase and use uniforms for its employees that conform strictly to the specifications, design and style of the Franchisor existing from time to time, as required in the Manual or otherwise in writing.

Section 4.5 Right to Establish a Purchasing Program. The Franchisor shall have the right, in its discretion, to designate any geographical area for purposes of establishing a purchasing program ("Purchasing Program"). If a Purchasing Program is established in the area encompassing the Restaurant at the time the Franchisee opens for business, or is established during the Term of this Franchise Agreement, the Franchisee must immediately participate in the Purchasing Program.

Section 4.6 Product Testing. Franchisor reserves the right to designate, in its sole discretion, which of its franchisees may, or will be required to, participate in new product or service tests, new or modified product or service offerings and other programs, initiatives and campaigns that Franchisor may, from time-to-time, develop. If Franchisor designates Franchisee for participation in any such test, offering, program, initiative or campaign, Franchisee must participate when and as required by Franchisor.

Section 4.7 Franchisor's Rights.

(A) If Franchisor reasonably believes that any product offered by Franchisee, or any condition with respect to Franchisee's Restaurant, may be unhealthy, unsafe or insanitary, and Franchisor requests that Franchisee remove and/or discard or destroy such product, or correct or otherwise modify such condition, Franchisee must do so immediately. If Franchisee does not do so immediately, Franchisor may do so at Franchisee's expense, with no liability to Franchisor. In addition, Franchisor may require Franchisee to close the Restaurant to the public, with or without written notice, until Franchisor is satisfied that that unhealthy, unsafe or unsanitary condition has been completely corrected.

(B) Franchisor shall have the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing or approval of suppliers. Franchisee will have no entitlement to or interest in such benefits, unless otherwise agreed to by Franchisor in writing.

Article 5 Operating Standards; Hours of Operation; Training

Section 5.1 Operational Standards.

(A) During the Term of this Agreement, the Franchisee will have the right to access one copy of the Manual and other applicable manuals and publications of the Franchisor for Steak n Shake By Biglari Restaurants, which shall be in either electronic or printed format as determined by Franchisor. The Franchisor shall have the right to modify the Manual and other manuals and publications from time to time to reflect changes in authorized products and services (including the maximum, minimum, or other prices for same), mandatory programs and promotions (including marketing programs that, in Franchisor's discretion, promote particular prices for particular products), standards of product quality and services for the operation of a Steak n Shake By Biglari Restaurant. If the Franchisor provides Franchisee with access to the Manual via a

website or extranet, Franchisee agrees that it is Franchisee's obligation to monitor and access the website or extranet for any updates to the Manual.

(B) Franchisee shall keep current all copies of the Manual and other manuals. The master copies maintained by the Franchisor at its principal office shall control in the event of a dispute relative to the contents thereof.

(C) Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, building and other required construction and occupancy permits, licenses to do business, fictitious name registration, sales tax permits, health and sanitation permits and ratings and fire code clearances. Franchisee shall meet and maintain the highest governmental health standards and ratings applicable to the operation of the Restaurant. Copies of all inspection reports, warnings, certificates and ratings issued by any governmental entity during the Term of this Agreement in connection with the conduct of the Restaurant which cites or indicates Franchisee's failure to meet or maintain the highest governmental standards or failure to fully comply with any applicable law, rule or regulation, shall be forwarded to the Franchisor within two (2) days of Franchisee's receipt thereof. Franchisee shall remedy such failure within the required time period as specified in the respective citation, report or other notices. Franchisor may require Franchisee, upon written notice, to designate Franchisor as an authorized party to receive copies of any governmental inspection reports, citations or similar notices, and Franchisor may require Franchisee to utilize a third party vendor to obtain such reports, and Franchisee shall be responsible for the reasonable cost of any such service.

(D) Franchisor may, in its sole discretion, establish "quality control" programs, such as a "mystery shopper" program, other consumer feedback systems, toll-free telephone numbers, food safety audits, and evaluations to ensure the highest quality of service and products in all Restaurants. Franchisee must participate in any such quality control programs, including those Franchisor may add or modify from time to time, and Franchisee shall bear its proportionate share of the costs of any such program, including providing discounts or refunds to customers, as determined by Franchisor in its sole discretion. Franchisor shall have access to any data resulting from such programs implemented at the Restaurant.

(E) Franchisee and its Owners and employees shall not distribute any press release or make any statement to the media or general public regarding the health or safety conditions of the restaurant or any crisis matter such as a food borne illness or criminal act occurring in the Restaurant, without the prior written consent of Franchisor, in its sole discretion. Franchisee agrees to notify Franchisor immediately upon the development of any health, safety, or crisis situation regarding the Restaurant. Franchisee shall also alert Franchisor to any health, safety, or potential crisis situation, which Franchisee reasonably believes may be developing.

(F) Franchisee must fully participate in all local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by Franchisor for the System.

(G) Franchisee must use the Franchisor-approved music content and/or supplier to play music in the Restaurant and adhere to the required playlists. Franchisee may not play or supply music through another supplier without the prior written consent of the Franchisor. Notwithstanding the foregoing, music shall not be required if the Authorized Location is located within a convenience store; however, if the Franchisee elects to play music, Franchisor shall retain

reasonable approval rights as to the music content and/or playlists.

(H) Unless prohibited by applicable law, Franchisor may periodically set a maximum or minimum price that Franchisee may charge for products and services offered by Steak n Shake By Biglari Restaurants. If Franchisor imposes such a maximum or minimum price for any product or service, Franchisee may charge any price for the product or service up to and including Franchisor's designated maximum price or down to and including Franchisor's designated minimum price. The designated maximum and minimum prices for the same product or service may, at Franchisor's option, be the same. For any product or service for which Franchisor does not impose a maximum or minimum price, it may require Franchisee to comply with an advertising policy adopted by Franchisor which prohibits Franchisee from advertising any price for a product or service that is different than Franchisor's suggested retail price. Although Franchisee must comply with any advertising policy Franchisor adopts, Franchisee will not be prohibited from selling any product or service at a price above or below the suggested retail price unless Franchisor imposes a maximum price or minimum price for such product or service.

(I) Franchisee may use in the operation of its Steak n Shake By Biglari Restaurants only the Designated Menus and may not alter any aspect of the Designated Menus.

Section 5.2 Operating Hours.

(A) During the Term of this Agreement, Quick-Service Restaurants shall operate seven (7) days per week and for those hours as the Franchisor may from time to time prescribe in writing taking into account any limitations on hours legally imposed by the shopping center or facility in which the restaurant is located and applicable local ordinances. Franchisor may require the Restaurant to operate on holidays provided that such requirement applies to all Restaurants within the System (except as prohibited by applicable local ordinances or lease restrictions). Franchisee shall not be deemed in default for failure to operate during an event of Force Majeure.

Section 5.3 Training.

(A) All of the Franchisee's managerial employees, including multi-unit managers (if applicable), the General Manager, manager and restaurant managers, and those Principal Owner(s) who will perform management responsibilities in the Restaurant are required to successfully complete the then-current management training program prescribed by the Franchisor throughout the System at such place and time as the Franchisor may designate, but prior to performing duties in or related to the Restaurant. The current management training program consists of five (5) weeks of training. The level of training is based on Franchisor's then-current training program at the time such training is conducted, and the content of the training is based on the particular manager's roles and responsibilities in the Restaurant.

(B) At the Franchisor's option, such training may take place at Certified Training Restaurants, which may be operated by Franchisor or its franchisees. Franchisee shall be solely responsible for the compensation of trainees and their travel, lodging and living expenses incurred in connection with the attendance at such programs. The individuals participating in such training on behalf of Franchisee will not be deemed to be employees of Franchisor, or of the owner of any restaurant in which those individuals participate in the training but will be deemed to be employees of Franchisee during all aspects of the training program. Prior to beginning the training in the

Certified Training Restaurant, each manager shall be required to execute the Confidentiality and Waiver Agreement attached hereto as **Appendix B-2**.

(C) Franchisor does not charge a fee for the abbreviated owner training or orientation; however, Franchisee is responsible for its transportation and lodging expenses.

(D) In addition to the required management training, all other employees of Franchisee must undergo such on-the-job and instructional training and station certification as the Franchisor may from time to time require.

(E) Franchisee, and/or such executive, managerial, supervisory and other designated employees of Franchisee shall attend and successfully complete all subsequent training, refresher and retraining programs which the Franchisor or its affiliate may conduct and require Franchisee and/or designated employees to attend, in its reasonable discretion.

(F) Upon failure of Franchisee or any manager or employee of Franchisee to complete successfully, for any reason, any training, retraining or refresher program required by the Franchisor, Franchisee shall require some other trainee to attend and successfully complete the program, and to operate the Restaurant thereafter as its manager or otherwise perform the functions of the category of employee for which the training program was offered, if the Franchisor, at its option, so directs.

(G) There shall be no tuition charge for the training required by subsections (A), (B), (C) and (D) of this Section 5.3; provided, however the Franchisor shall only be obligated to provide the initial training described in subsection (A) at no cost to Franchisee as follows:

(i) Franchisor will train up to four (4) managers for a Quick-Service Restaurant; or

(ii) Franchisor will train up to three (3) managers for a Quick-Service Restaurant in a Non-Traditional Location.

(iii) Franchisor reserves the right to charge a tuition fee of Three Thousand Dollars ($3,000) for training additional managerial employees pursuant to subsection (A) (including replacement managers) and/or training required pursuant to subsection (F).

(H) Franchisee shall pay all expenses of travel, room, board, training supplies and materials and salaries or wages of its employees while in training.

(I) The Franchisor or its Affiliate will furnish, or cause its Affiliates to furnish representatives to assist in the opening activities of the Restaurant (including guidance in the hiring and training of new employees) based on the number of Steak n Shake Restaurants Franchisee is already operating. The Franchisor is responsible for the wages and travel expenses of its training representatives; however, seven weeks prior to the projected opening date of the Restaurant, Franchisor will require Franchisee to confirm the opening date in the form attached hereto as Rider 2. Franchisee agrees to reimburse Franchisor for any additional out of pocket travel expenses incurred by Franchisor if the opening date confirmed by Franchisee in Rider 2 changes for any reason.

(i) If this Agreement is Franchisee's first Restaurant opening, Franchisor will

furnish trainers who will provide guidance and assistance for the Restaurant opening totaling a minimum of 400 hours for Quick-Service, and Non-Traditional Restaurants.

(ii) If Franchisee operates one other Steak n Shake By Biglari Restaurant, Franchisor will furnish trainers for the Restaurant opening who will provide guidance and assistance totaling a minimum of 225 hours for a Quick-Service, and Non-Traditional Restaurants.

(iii) If Franchisee operates three or more Steak n Shake By Biglari Restaurants, Franchisor will provide trainers for the Restaurant opening who will provide guidance and assistance totaling a minimum of 225 hours for a Quick-Service, and Non-Traditional Restaurants.

(J) For any openings other than Franchisee's first Steak n Shake By Biglari Restaurant, the Franchisee must utilize qualified staff from its operating restaurant(s) to assist with the required training, and these employees will be expected to provide the following minimum training hours (less the hours of training the Franchisor provides): 500 hours for a Quick-Service, and Non-Traditional Restaurants. Upon request by Franchisee or if the Franchisor deems additional assistance necessary, a representative or representatives shall remain for an additional period determined by the Franchisor, and Franchisee shall reimburse the Franchisor for its or its affiliate's reasonable expenses (including salary) in providing the representative(s) for such additional period. Franchisee's management staff shall be at work and on duty during the hours of assistance by the Franchisor's or its affiliate's representatives. Franchisee acknowledges and agrees that the training assistance described in this Section 5.03(G) shall apply only to the Restaurant opened pursuant to this Agreement, as Franchisor's training program may be revised from time to time.

(K) Franchisee shall replace any manager who the Franchisor determines is not qualified to manage a Restaurant in accordance with the System and its standards.

(L) The Franchisor will provide one set of initial training materials which are part of the System. Franchisee will purchase any additional or replacement training materials and supplies, as may be specified by the Franchisor, to properly conduct such training as is established and published from time to time in the Manual.

(M) Franchisee agrees to maintain a competent, conscientious staff in numbers as required by the Franchisor from time to time as set forth in the Manual and to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with the uniform and/or dress code and appearance policy as Franchisor may prescribe; and meet such minimum standards as Franchisor may establish from time to time in the Manual. While Franchisor may provide general guidance on the skills and qualifications which are needed for a specific position, Franchisee acknowledges and agrees that Franchisee shall be solely responsible for all employment decisions and functions of the Restaurant, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees.

(N) Franchisee must attend, at his expense, all annual and other meetings and conference calls of franchisees that Franchisor determines are mandatory for all franchisees, or

groups of franchisees (as designated by Franchisor), such as franchisees within a particular geographic region.

(O) At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Franchisee in the State of Maryland, including payments for goods and services Franchisor receives from the Franchisee before any Restaurant opening in the State of Maryland.

Section 5.4 Discretionary Continuing Services.

(A) Upon Franchisee's request, the Franchisor or its Affiliate may elect to provide consultation or additional training to the Franchisee to address specific issues or problems encountered by Franchisee which are beyond the scope of the Franchisor's obligations pursuant to Section 1.7 herein, including but not limited to additional inspections or training following Franchisee's failure to comply with the requirements set forth in this Agreement. Franchisee acknowledges and agrees that Franchisor shall have no obligation to provide such additional assistance and Franchisor may require, as a condition to Franchisor providing such services, that Franchisee pay Franchisor a reasonable fee for such services.

(B) Franchisee acknowledges and agrees that if Franchisor provides managers (either employed by Franchisor or its affiliates or other Steak n Shake By Biglari franchisees) to work in the Restaurant if Franchisee does not have a sufficient number of properly trained managers, Franchisor may recover, a monthly services fee of $4,000 to compensate Franchisor for its senior management's time in providing coordination services and oversight plus an amount equal to Franchisor's actual labor, travel, meals and lodging expenses associated with such additional management support for Franchisee's restaurant. If Franchisor or its Affiliates provide Franchisee with temporary management or staffing assistance, Franchisee agrees to execute the form of Waiver And Indemnity Agreement attached hereto as Exhibit 2 as a condition to Franchisor providing such assistance.

Section 5.5 Access to Restaurant. Franchisor may evaluate and inspect all portions of the interior and exterior of the Restaurant (including public and private areas), with or without prior notice to Franchisee, during the required hours of operation as set forth herein to verify compliance with the terms and conditions of this Agreement, to confirm whether the quality of service and products is being maintained to Franchisor's satisfaction and for any other purpose related to this Agreement and the relationship between the parties. If Franchisor believes, in good faith, that any materials, ingredients, products, supplies, goods, uniforms, fixtures, signs, furnishing and/or equipment on the premises of the Restaurant do not comply with Franchisor's requirements or standards, Franchisor may select and remove, at no expense to Franchisor, those items for evaluation and inspection purposes. If those items do not comply with Franchisor's requirements or standards, Franchisor may retain or discard those items, at no expense to Franchisor. Franchisor may photograph or videotape any part of the premises of the Restaurant without prior notice to or approval from Franchisee. Franchisee will permit Franchisor and its representatives access to its business premises, and will cooperate with Franchisor in any such evaluation or inspection.

Section 5.6 Franchisor's Right to Operate the Restaurant.

(A) Except for Force Majeure events or circumstances beyond Franchisee's control (which shall specifically exclude any failure by Franchisee to operate solely as a result of Franchisee's financial difficulties), under the circumstances below, Franchisor or its affiliates shall have the right (but not the obligation) to enter and manage the restaurant for a reasonable period on Franchisee's behalf. If Franchisor or its affiliates assume the Restaurant's management, Franchisee must pay Franchisor (in addition to the Royalty and System, License and Digital and Production Fund Fees), a reasonable management fee to be determined by Franchisor from time to time. In addition, Franchisee must reimburse Franchisor for any operating loss incurred by Franchisor (or its designee). If Franchisor or its affiliate assumes the Restaurant's management, Franchisee acknowledges that Franchisor or its affiliate will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its Owners for any debts, losses, or obligations the Restaurant incurs, or to any of Franchisee's creditors for any supplies or services the Restaurant purchases, while Franchisor or its affiliate manages the Restaurant.

(B) Franchisor may assume the Restaurant's management under the following circumstances:

(i) if Franchisee abandons the Restaurant (as evidenced by the Restaurant being closed for business for more than three (3) consecutive days or some other affirmative act such as the authorization or auction or sale of equipment);

(ii) fails to maintain a properly trained managerial staff in accordance with Section 1.6 herein;

(iii) if Franchisee fails to comply with any provision of this Agreement and does not cure the failure within the time period Franchisor specifies in its notice to Franchisee.

(C) The exercise of Franchisor's rights under this Section 5.6 will not affect Franchisor's right to terminate this Agreement, and this Section 5.6 shall survive termination of this Agreement.

Article 6 Fees and Advertising Expenditures

Section 6.1 Franchise and Other Fees.

(A) Franchise Fee. Franchisee shall pay to Franchisor an initial franchise fee for the Restaurant it operates pursuant to this Agreement ("**Franchise Fee**"), which amount is indicated on **Appendix A** attached hereto and payable on the execution of this Agreement. Nothing herein is intended to represent or guarantee the amount of the Franchise Fee for any Restaurant other than the one franchised by the terms of this Agreement. The Franchise Fee is nonrefundable with one exception: if Franchisee identifies a specific location for Franchisor's approval within seventy (70) days of the Effective Date of this Agreement and Franchisee provides Franchisor a completed Location Package as set forth in Section 3.1, but Franchisor fails to issue a letter of

acceptance for (i) Franchisee's proposed Restaurant location within twenty-eighty (28) days of receipt of such Location Package; or (ii) Franchisee's alternate proposed location within one hundred thirty five (135) days of the Effective Date of this Agreement then either party shall provide the other party with written notice of termination due to failure to agree upon an exact location for the Restaurant. If each of the foregoing conditions are met, Franchisor will reimburse Franchisee seventy-five percent (75%) of the Franchise Fee paid and Franchisor will retain the remaining twenty-five percent (25%) as compensation for its review of the proposed location and loss of opportunities, and this Agreement will terminate (except for any provisions expressly surviving termination). Notwithstanding the foregoing, Franchisee shall not be entitled to a refund of any Franchise Fee paid pursuant to an Area Development Agreement previously executed with Franchisor.

(B) Royalty and System Fee. During the Term of this Agreement, Franchisee shall pay to the Franchisor via electronic funds transfer as a services fee (the "**Royalty and System Fee**"), a sum equal to four percent (4%) of Franchisee's "**Gross Receipts**" from the operation of the Restaurant. The Royalty and System Fee shall be payable for the Franchisee's use of the System, and for the Franchisor's Services provided under this Agreement. The Royalty and System Fee shall be due and payable each week (each, an "**Accounting Period**"), and the first such Accounting Period shall begin on the Opening Date and end on the following Sunday. As more fully described in Section 6.7 below, the Royalty and System Fee shall be paid to Franchisor by electronic funds transfer on or before the Friday following the end of each Accounting Period, provided that such day is a Business Day. A "**Business Day**" means any day other than Saturday, Sunday or any national holiday generally observed by U.S. banks. If the date on which such payments would otherwise be due is not a Business Day, then payment shall be due on the next Business Day.

(C) Surety Bond. At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Franchisee in the State of Maryland, including payments for goods and services Franchisor receives from the Franchisee before any Restaurant opening in the State of Maryland.

Section 6.2 Advertising and Marketing Expenditures.

(A) Franchisee understands and hereby acknowledges that advertising, marketing and promotional activities are essential to the furtherance of the goodwill and public image of Franchisor and the System and the success of the Restaurant. Franchisee shall pay to Franchisor a Digital and Production Fee of one percent (1%) of Gross Receipts (the "**Digital and Production Fund Fee**") for Franchisor's use in its sole discretion to maximize general public recognition of the System and the Steak n Shake brand by creating, developing, administering and supervising marketing and advertising programs and menu development for the shared benefit of all Steak n Shake By Biglari Restaurants (the "**Digital and Production Fund**"). Franchisee shall pay the Digital and Production Fund Fee to Franchisor in the manner as set forth in Section 6.7 herein and at the same time as the Royalty and System Fee. Franchisee agrees that the Digital and Production Fund will be used by Franchisor, at its sole discretion, to maximize general public recognition of the System. The Digital and Production Fund will not be subject to audit, nor will an accounting be provided to Franchisee. The Digital and Production Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to Franchisee with respect to the Digital and Production Fund. Franchisor has the right to determine the

expenditures of the amounts collected and the methods of marketing, advertising, digital and other media employed and contents, terms and conditions of marketing campaigns and promotional programs. Franchisor is not required to spend a prorated amount on the Restaurant or in each advertising market. Franchisor has the right to make disbursements from the Digital and Production Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns.

(B) The term "**local advertising and promotion**" as used herein shall refer to advertising and promotion related directly to the Franchised Restaurant, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses). Franchisor may provide to Franchisee, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotion," including, without limitation, products sold at a discount or given away as part of promotional programs or the value of advertising coupons.

(C) Surety Bond. At the request of the Maryland Securities Commissioner, Franchisor posted a Franchisor Surety Bond with the Maryland Securities Division for all franchise fees paid to the Franchisor by the Franchisee in the State of Maryland, including payments for goods and services Franchisor receives from the Franchisee before any Restaurant opening in the State of Maryland.

Section 6.3 Weekly Report. On or before 8:00 a.m. (Eastern Standard Time) the Wednesday following the end of the Accounting Period, Franchisee shall deliver to Franchisor a sales report itemizing the Gross Receipts for the preceding Accounting Period (each, a "Weekly Report"), or the Franchisor may elect to email a Weekly Report to the Franchisee based on point of sale data on or before the Wednesday following the end of the Accounting Period, and the amount contained in Franchisor's Weekly Report shall be deemed accurate for purposes of determining the Royalty and System Fee and Digital and Production Fund Fee due for such Accounting Period, unless Franchisee notifies the Franchisor in writing of any errors in the Weekly Report on or before 5:00 p.m. (Eastern Standard Time) the Wednesday following the end of the Accounting Period.

Section 6.4 Interest on Late Payments. All Royalty and System Fees, Digital and Production Fund Fees, amounts due for purchases from the Franchisor or its affiliates, and third party vendor charges Franchisor collects from Franchisee, and other amounts which Franchisee owes to the Franchisor or its affiliates shall bear interest after the due date at the lesser of the highest legal rate permissible or eighteen percent (18%) per annum. Franchisee acknowledges that this Section 6.4 shall not constitute the Franchisor's agreement to accept such payments after the same are due or a commitment by the Franchisor to extend credit to, or otherwise finance, Franchisee's operation of the Restaurant. Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement as provided in Article 11, notwithstanding the provisions of this Section 6.4.

Section 6.5 Credit Cards and Other Methods of Payment. Franchisee shall make arrangements with only suppliers or sponsors approved by Franchisor of such credit cards, check verification services or electronic funds transfer systems, or other similar services as the Franchisor may designate from time to time in order that the Restaurant may accept customers' credit and debit cards, checks, gift cards or other methods of payment. Franchisee will be responsible for any costs or expenses associated with such services or systems. Currently, there is only one approved credit card processor which is the sole credit card processor that Franchisor will permit to integrate with the required point of sale system, and Franchisee acknowledges and agrees that Franchisor shall have no obligation to approve an alternate credit card processor.

If any such debit(s) should be returned NSF, Franchisee authorizes Franchisor to subsequently collect a returned debit NSF fee of $25.00 per item by Electronic Funds Transfer from Franchisee's designated account.

Section 6.6 Fees Non-Refundable. All fees and other amounts payable to the Franchisor under this Agreement are non-refundable, except for a portion of the Franchise Fee as described in Section 6.1 (A).

Section 6.7 Payment By Pre-Authorized Electronic Funds Transfer. The Franchisor requires Franchisee to pay all amounts due to the Franchisor under this Article 6 via electronic funds transfer ("EFT"). Franchisee agrees that Franchisor shall have the right to withdraw such funds from Franchisee's designated bank account by EFT and further agrees that prior to the Restaurant opening, Franchise shall sign and deliver to the Franchisor a pre-authorization form, in the form attached hereto as Appendix E, to enable Franchisor to withdraw such funds. In addition, from time to time at Franchisor's reasonable request, Franchisee must sign those other and further documents as Franchisor may require to enable Franchisor to draw drafts against Franchisee's bank accounts for such purposes. EFT withdrawals shall be drawn on the Friday of each week, and shall be in an amount equal to the Digital and Production Fund Fees, and Service Fees due for the Accounting Period based on the Gross Receipts set forth on the Weekly Report for the prior week. If the Weekly Report for the subject Accounting Period is subsequently determined by Franchisor to be inaccurate, and reflects that the actual amount of the Digital and Production Fund Fees and Service Fees due were (i) more than the amount of the EFT processed by Franchisor, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) less than the amount of the EFT by Franchisor, then Franchisor shall either return the excess amount to Franchisee, or credit the excess amount to the payment of Franchisee's future Service Fee obligations. Franchisee shall, upon execution of this Agreement or at any time thereafter at Franchisor's request, execute such documents or forms as Franchisor determines are necessary for Franchisor to process EFT payments. Should any EFT payment not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment plus a service charge applied by the bank, if any. Franchisee further agrees that it shall at all times throughout the Term of this Agreement maintain a minimum balance sufficient to cover the Digital and Production Fund Fees and Service Fees due for each Accounting Period in the Franchisee's bank account against which such EFT payments are to be drawn. If Digital and Production Fund Fees and Service Fees are not received when due, interest may be charged by Franchisor in accordance with Section 6.4 above. Upon written notice to Franchisee, Franchisee may be required to pay such Digital and Production Fund Fees and Service Fees directly to Franchisor in lieu of EFT, at

Franchisor's sole discretion. Any and all amounts due and payable by Franchisee to an affiliate of Franchisor for products and/or services rendered shall also be subject to payment by EFT (including, without limitation, payments to STEAK N SHAKE, LLC for the License Fees).

If any such debit(s) should be returned NSF, Franchisee authorizes Franchisor to subsequently collect a returned debit NSF fee of $25.00 per item by Electronic Funds Transfer from Franchisee's designated account.

Section 6.8 Allocation of Payments. Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee to Franchisor or its affiliates, despite any other allocation by Franchisee**.**

Section 6.9 Non-Retention of Funds. Franchisee shall not offset or withhold payments owed to Franchisor for amounts purportedly due Franchisee from Franchisor or its affiliates as a result of any dispute of any nature or otherwise, but will pay such amounts to Franchisor and only thereafter seek reimbursement.

Section 6.10 Taxes. If any tax or fee other than income tax is imposed on Franchisor by any governmental agency due to Franchisor's receipt of fees that Franchisee pays to Franchisor under this Agreement, then Franchisee agrees to pay Franchisor the amount of such tax as an additional franchise fee. The Franchisor shall have no liability for any sales, use, excise, gross receipts, income, property or other taxes, whether levied upon Franchisee, the Restaurant or its assets, in connection with the sales made, services performed or business conducted by Franchisee.

Section 6.11 Default Fees. Franchisor may, in lieu of other rights or remedies that Franchisor may have under this Agreement, assess Franchisee a default fee in the amount of One Hundred Dollars ($100) per week ("Default Fee") or a greater amount equal to our staff's wages, travel, lodging and reasonable per-diem expenses incurred for any follow-up inspections conducted after Franchisee's failure to comply with the terms of this Franchise Agreement or Manual or failure to comply with a Quality, Service and Cleanliness ("QSC") Audit. Franchisor may assess a Default Fee regardless of whether Franchisor sends Franchisee a notice to cure or termination notice, so long as Franchisor notifies Franchisee in writing of Franchisor's decision to charge Franchisee a Default Fee, the amount of the Default Fee, and the reason Franchisor believes Franchisee has committed a breach of this Agreement (the "Default Fee Notice"). If Franchisor sends Franchisee a notice to cure, and Franchisee fails to cure the default within the time period specified in Franchisor's notice, Franchisor may assess an additional Default Fee for each week that the violation remains uncured. Assessment and/or payment of a Default Fee does not constitute a waiver of any other rights or remedies Franchisor may have in connection with the event of default or otherwise under this Agreement. The Default Fee Notice Franchisor sends to Franchisee will indicate the date the default fee is due provided not less than ten (10) days' notice will be given. Franchisee's failure to pay any Default Fee by the deadline set forth herein shall constitute a separate event of default.

Article 7 Advertising

Section 7.1 Origination and Approval of Advertising.

(A) Recognizing the value of advertising and the importance of the standardization of advertising to the furtherance of the goodwill and public image of the System, Franchisee agrees

that Franchisor or its designee shall have the right to review and approve all advertising and marketing conducted by Franchisee with sole discretion over the concepts, materials, form, copy, layout and content used therein. Franchisee may not print menus or alter any aspect of the Designated Menus without Franchisor's prior written approval, which may be withheld in Franchisor's sole discretion. Notwithstanding the foregoing, Franchisor shall have no obligation to provide custom marketing materials for Franchisee and Franchisor shall have the right to charge a fee for any custom marketing or advertising services which Franchisee requests from Franchisor.

(B) Franchisee understands and acknowledges that advertising expenditures are intended to maximize general public recognition and acceptance of all Steak n Shake By Biglari Restaurants and the System, and the Franchisor and its designee(s) make no representation or warranty that any particular Steak n Shake By Biglari Restaurant, including the Restaurant operated under this Agreement, will benefit directly or pro rata from such advertising. Franchisee shall submit samples of all advertising and promotional plans to Franchisor, for Franchisor's prior written approval. Franchisor shall provide its written approval or non-approval of advertising and promotional plans within ten (10) Business Days from receiving the materials from Franchisee. Silence by Franchisor shall mean the advertising or promotional plan submitted for approval by Franchisee is deemed not approved. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor. The term "advertising" as used in this Agreement shall include, without limitation, any digital, radio or television commercial advertising, print, in store materials, outdoor (billboards), websites, social or business networking media sites such as X, Facebook, LinkedIn, Youtube, and on-line blogs or forums, or any other electronic medium, wherever located, that identifies or refers to Franchisee, the Marks, the Restaurant and/or the System. Upon submission to Franchisor, the proposed advertising and any copyrights in the proposed advertising (except where prohibited by local law or contractual limitations on use outside of the Franchisee's home country) shall become the property of Franchisor, and Franchisee agrees to sign and, where so requested, cause to be signed, such documents, and to effectuate registration as may be necessary in order to implement this provision; and Franchisee shall be deemed to have a royalty-free license, for the Term, to use such advertising material pursuant to the terms of this Section 7.1.

(C) Franchisee shall be free to conduct, at its separate expense, supplemental advertising in addition to the advertising received for the expenditures specified in Section 6.2 herein, to promote and increase the demand for the products and services of its own Steak n Shake By Biglari Restaurant. All such supplemental advertising shall either have been prepared or previously approved in writing by the Franchisor. Any advertising agency, which Franchisee uses, must demonstrate to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards. Franchisor's approval of the advertising agency used shall not be unreasonably denied or delayed.

(D) Franchisee is invited to participate in any advertising or marketing promotion adopted by Franchisor.

(E) Franchisee's advertising and promotions shall at all times comply with all applicable laws and regulations. Franchisee shall hold Franchisor harmless from any and all damages, costs, and expenses (including without limitation reasonable attorneys' fees and court costs) in any case in which a claim is asserted against Franchisor on account of Franchisee's advertising and promotion activities.

Section 7.2 Advertising Agency. The Franchisor shall have the right to delegate its responsibilities and duties hereunder to an advertising agency or any designee(s) of its choosing, provided that the right of final approval of all advertising programs shall be retained at all times by the Franchisor.

Article 8 Books, Records and Control Procedures

Section 8.1 Required Bookkeeping Services

(A) The Franchisor shall furnish Franchisee with a sample format of a chart of accounts, statement of earnings and balance sheet, and profit and loss statement and Franchisee shall strictly adhere to such formats specified in all financial reporting to the Franchisor required by this Article 8. Franchisee must utilize at its sole cost and expense the bookkeeping service (the "Service Provider") designated by Franchisor to provide certain accounting and bookkeeping services, including: financial statement preparation (including profit and loss statement, balance sheet and cash flow), accounts payable processing, weekly cash deposit verification & weekly credit card verification, bank reconciliations (one account), and fixed assets accounting for the restaurant ("Bookkeeping Services"). Franchisee agrees to comply with all requirements Franchisor prescribes with regard to the Bookkeeping Services. Franchisor requires Franchisee to enter into a contractual relationship directly with the designated Service Provider for Bookkeeping Services as a condition to the opening of the Restaurant.

(B) In order for a Service Provider to provide the most timely and useful information to the Restaurant, it is essential that the Service Provider receive information from Franchisee as soon as possible after the applicable accounting period closes. Each week, in accordance with Franchisor's procedures as set forth in the Manual, Franchisee agrees to submit to the Service Provider completed worksheets; bank statements; invoices to be paid; and any other documents required to properly record all transactions affecting the Restaurant's financial activity.

(C) If Franchisee fails to submit Restaurant-related items when required pursuant to this Section 8.1, or to utilize the Service Provider for Bookkeeping Services as required herein, Franchisor shall have the right to terminate the Agreement as provided in Section 11.1 herein.

(D) Franchisee acknowledges and agrees that Franchisor shall have the right to obtain all financial reports required by this Article 8 directly from the Service Provider, and to audit all records and information provided by Franchisee to the Service Provider to ensure Franchisee's compliance with this Article 8.Section 8.2 Monthly and Annual Reports.

Section 8.2 Required Monthly and Annual Reports.

(A) Within thirty (30) days of the end of each month Franchisee shall prepare and submit to Franchisor a profit and loss statement for the Restaurant for the immediately preceding month.

(B) On an annual basis within sixty (60) days of the end of Franchisee's fiscal year, Franchisee shall submit to the Franchisor a complete, annual financial statement for the Restaurant, which shall include an income statement and balance sheet (in a form prescribed by Franchisor from time-to-time) which, at Franchisor's request, shall be prepared by an independent certified public accountant with respect to the operation of all Steak n Shake By Biglari Restaurants operated by Franchisee, including the Steak n Shake By Biglari Restaurant franchised hereunder (the "**Annual Financial Statement**"). Within ten (10) days after Franchisee's applicable filing date (as may be extended), Franchisee shall submit to Franchisor copies of all federal and state income tax returns. In addition, Franchisee shall submit to the Franchisor, for review or auditing, such information, forms, reports and records, with respect to operation of the Steak n Shake By Biglari Restaurant franchised hereunder, as the Franchisor may reasonably designate, in the form and at the times and places reasonably required by the Franchisor. The Franchisor may, at its option, gather financial and operating information from the electronic point of sale system and Required Technology at the Restaurant by electronic transfer.

(C) Each statement and report referenced in this Section 8.2 shall be prepared in accordance with generally accepted accounting principles and signed by Franchisee attesting that it is true, complete, and accurate. If Franchisee fails to provide the Monthly Profit and Loss Statements or Annual Financial Statement within ten (10) days following written request by Franchisor after such report became due, Franchisor, may elect to assess a Fifty Dollar ($50) per day late reporting fee which shall be immediately due and payable by Franchisee for each day that Franchisee fails to provide the financial information required by this Section 8.2 after receiving notice from Franchisor.

(D) Franchisor reserves the right to require Franchisee to utilize a uniform format and method of reporting financial information to Franchisor as may be set forth in the Manual from time to time at Franchisee's sole cost and expense.

Section 8.3 Marketing Information. The Franchisor shall have the right from time to time to require Franchisee to furnish requested marketing information based on Franchisee's records, which information will be used by the Franchisor in making surveys and analysis designed to benefit and improve the System, business and operating results of all Steak n Shake By Biglari Restaurants. Franchisee, upon reasonable request, shall promptly furnish such information to the Franchisor or its designee(s).

Section 8.4 Records of Franchisee. Franchisee agrees to maintain and preserve, during the Term of this Agreement, full, complete and accurate books, records and accounts relative to the operation of the Restaurant in accordance with generally accepted accounting principles. Such records shall be retained for at least three (3) years from the dates thereof and in the form and manner prescribed by the Franchisor from time to time. Additionally, Franchisee agrees to promptly deliver to Franchisor, a detailed statement showing all development costs for the construction of the Restaurant, including but not limited to building costs, site improvements (if any), equipment, and signage. Preliminary costs shall be provided within ten (10) days of the restaurant opening and final costs shall be provided no later than sixty (60) days following the restaurant opening. If Franchisee fails to provide the foregoing information as required by this

Section 8.4 upon written request of the Franchisor, Franchisor may impose a Fifty Dollar ($50) per day late reporting fee.

Section 8.5 Inspection of Franchisee's Records.

(A) The Franchisor shall have the right to examine and audit, or to cause its affiliate to examine and audit, Franchisee's records, accounts and books, federal and state income tax returns and state sales tax returns at reasonable times and places (including, without limitation, Franchisee's principal place of business). Franchisee shall pay the Franchisor's audit fees, charges and expenses (including, without limitation, travel expenses and reasonable accounting and legal fees) with respect to any periodic or annual audit which reveals an understatement of Gross Receipts by Franchisee to the Franchisor, if such understatement is in excess of two percent (2%) of Gross Receipts during such periodic or annual audit period.

(B) If required payments are delinquent or if an inspection should reveal that the Gross Receipts reported by Franchisee to the Franchisor have been understated, Franchisee shall immediately pay to the Franchisor the amount overdue, unreported or understated, in addition to interest thereon from the date due at the rate required under Section 6.4 hereof. The foregoing shall be in addition to any other rights the Franchisor may have.

(C) Franchisor and/or its representative or agents may meet and communicate with, and solicit information (including books and records and other documentation) from, Franchisee's past and present employees, suppliers, vendors, lenders, and equipment lessors to verify compliance with the terms of this Agreement, to confirm whether Franchisee is performing his obligations to those persons and entities, and for any other purpose related to this Agreement and/or the relationship between the parties that Franchisor, in its sole discretion, determines to be necessary or desirable, and Franchisee will assist and cooperate with Franchisor and its representatives and agents in that regard. Franchisee hereby consents to Franchisor's (and its representatives' and agents') meetings, communications and solicitations and authorizes its employees, suppliers, vendors, lenders, and equipment lessors to provide Franchisor any information and/or documents that Franchisor may request, in its sole discretion, and Franchisee expressly waives any and all rights that Franchisee may have in connection with the disclosure of that information and those documents to Franchisor and its representatives and agents, and the use of that information by Franchisor or its representatives or agents. Franchisee will promptly execute such documents, and take such other and further action, as Franchisor may request to confirm or effectuate Franchisor's rights pursuant to this Section 8.5(C).

Section 8.6 Notice of Legal Actions and Notice of Default Pursuant to Loan Agreements.

(A) Franchisee shall notify Franchisor in writing within two (2) days of the commencement of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, including health agencies, which:

(i) relates to the operation of the Restaurant;

(ii) may adversely affect the operation or financial condition of the Restaurant;

(iii) may adversely affect Franchisee's financial condition; or

(iv) relates to Franchisee's operation and/or ownership of the Restaurant and may adversely affect the reputation of the Restaurant and the goodwill associated with the Marks and the System.

(B) If at any time during the Term of this Franchise Agreement, Franchisee borrows funds to pay for the Restaurant building, improvements, or equipment, or executes any agreement which places a lien or mortgage on the Restaurant building, improvements, or equipment, the agreement with the lender shall require the lender to deliver notice of any default by Franchisee pursuant to such agreement to the Franchisor at the same time notice of default is issued to the Franchisee.

Section 8.7 Default. If Franchisee fails to comply with this Article 8 or to provide the Franchisor with the records, accounting and reports required herein, the Franchisor may, at its option and upon thirty (30) days written notice that it intends to do so, cause its affiliate or a reputable accounting firm selected by Franchisor, to perform and provide, the accounting services to Franchisee necessary to comply with this Article 8. In such event, Franchisee agrees to cooperate fully with the Franchisor and to pay for the actual costs of such accounting services. The rights provided to Franchisor under this Section 8.7 are in addition to any rights under Section 11.1 of this Agreement.

Article 9 Insurance and Indemnity

Section 9.1 Indemnity.

(A) Franchisee agrees to indemnify the Franchisor, its parent company, subsidiaries and Affiliates, and their respective stockholders, directors, officers, employees, agents and assignees (collectively, the "Indemnitees") and hold harmless the Indemnitees from any and all losses and expenses (defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of a claim of a third party against any one or more of the Indemnitees in connection with:

(i) any claimed act or omission by Franchisee or Franchisee's Owners, employees or agents arising out of or in connection with Franchisee's possession, ownership or operation of the Restaurant, and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnitees;

(ii) any breach by Franchisee of the terms and conditions of this Agreement; or

(iii) the participation of Franchisee, its Owners, employees, or agents in any training conducted by the Franchisor at a Franchisor-operated Restaurant or other facilities operated by Franchisor, including, but not limited to any worker's compensation claims made by Franchisee's employees while training in a Franchisor-operated Restaurant.

(B) Franchisee's indemnity obligations set forth in this Section 9.1 shall apply even if it is determined that the Indemnitees' negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a

breach of this Agreement by the Indemnitees or the gross negligence or willful acts of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee).

(C) The term "losses and expenses" includes compensatory, exemplary, and punitive damages; fines and penalties; reasonable attorneys' fees; reasonable experts' fees; court costs; and reasonable costs associated with investigating and defending against claims; settlement amounts; judgments; and all other costs associated with any of the foregoing losses and expenses.

(D) Franchisor agrees to give Franchisee reasonable notice of any event of which Franchisor becomes aware for which indemnification may be required. At the election of Franchisor, Franchisee shall defend the Franchisor at Franchisee's sole cost and expense in any such suits, actions or proceedings in which Franchisor is joined as a party thereto. The Franchisor shall also have the right to defend any such claim itself and to be reimbursed by the Franchisee for the cost of such defense. This Section 9.1 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. This obligation of Franchisee to indemnify and defend the Indemnitees is separate and distinct from its obligation to maintain insurance under the provisions of Section 9.2 herein. No settlement of any claim against the Indemnitees shall be made by Franchisee which is in excess of the amount of insurance referred to in Article 9 or which would subject the Indemnitees to liability in any amount not covered by such insurance without the prior written consent of Franchisor.

Section 9.2 Franchisee's Insurance.

(A) Franchisee shall maintain in full force and effect at all times during the Term of this Agreement at its sole expense:

(i) Comprehensive General Liability insurance, Broad Form Contractual Liability insurance, liquor liability coverage (if applicable), and Product Liability language to protect against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Restaurant or otherwise in conjunction with the conduct of business by Franchisee pursuant to this Agreement.

(a) Such insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection of Five Million Dollars ($5,000,000) per occurrence for bodily and personal injury or death, Five Million Dollars ($5,000,000) policy aggregate for bodily and personal injury or death and One Million Dollars ($1,000,000) per occurrence for property damage, or such greater amounts or such additional coverages as may be required by the Franchisor or any lease for the Restaurant property.

(ii) Further, Franchisee shall carry adequate replacement costs basis property insurance to keep the premises of the Restaurant and its contents insured against loss or damage by fire, wind, and flood (if Restaurant is located in a flood zone) in an amount not less than one hundred percent (100%) of the full replacement cost of such assets or such additional coverages as may be required by the lease for the Restaurant property. Additionally, Franchisee shall carry business income interruption insurance covering a minimum of twelve (12) months loss of income, including coverage for the

Franchisor's Royalty and System Fee, Digital and Production Fund Fee, and License Fee during the rebuilding process;

(iii) Franchisee shall carry workers compensation and employers liability insurance protection for all locations in all states of operation adequate to satisfy state requirements. If automobiles are owned or leased by the franchisee, auto liability insurance containing minimum liability protection of One Million Dollars ($1,000,000) per occurrence, and One Million Dollars ($1,000,000) policy aggregate shall be maintained at all times. If no autos are owned or leased in the operation of the Restaurant, Franchisee shall maintained auto liability for "hired and non-owned" exposure at a minimum of Five Hundred Thousand Dollars ($500,000).

(iv) During construction of the Restaurant and any remodeling, Franchisee shall carry Builder's risk insurance that satisfies the requirements of its lease (if applicable) and in such amounts as commercially reasonable given the value of the improvements.

(B) Franchisee acknowledges that the minimum coverages and policy limits required by this Section 9.2 may be reasonably increased from time to time by the Franchisor for its own and Franchisee's protection, and agrees to comply with such new requirements promptly upon receipt of written notice from the Franchisor. The insurance policy or policies required by this Section shall be written by an insurance company or companies possessing an A.M. Best rating of A + or A, XII, unless otherwise approved in writing by the Franchisor.

(C) Franchisee shall maintain Unemployment Compensation, Social Security and other insurance coverages in such statutory amounts as may now or hereafter be required by any applicable law.

(D) Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited by reason of any insurance which may be maintained by the Franchisor, which insurance maintained by the Franchisor shall be strictly excess, secondary and noncontributory of the insurance provided by Franchisee, nor shall Franchisees performance of such obligation relieve it of liability under the indemnity provisions set forth in Section 9.1. Further, common law authority generally holding that agreements to provide insurance limit a party's recourse to insurance proceeds is not applicable to this Agreement and does not limit the company's recourse against Franchisee.

Section 9.3 Evidence of Insurance. Franchisee shall deliver or cause to be delivered certificates (or copies thereof) of general liability and worker's compensation and employer liability insurance required by this Article 9 to the Franchisor prior to commencement of training in Franchisor's Certified Training Restaurants and all other insurance required in this Article 9 prior to opening the Restaurant business and promptly upon renewal of such policies. Franchisee shall also deliver to the Franchisor evidence of payment of all insurance premiums at any time upon written request of the Franchisor. Certificates shall evidence all limits, coverages, and provisions as required in this document.

Section 9.4 Required Insurance Notices to Franchisor. All insurance policies required by this Article 9 shall provide for (a) written notice to the Franchisor of any cancellation, termination, nonrenewal or material alteration thereunder thirty (30) days prior to such termination, nonrenewal or alteration of coverage. If for any reason Franchisee is unable to procure insurance meeting the requirements set forth in preceding sentence, Franchisor may

require Franchisee to prepay its insurance policy for a period not less than three (3) months, and Franchisee shall deliver to Franchisor evidence of prepayment prior to the expiration of the certificate evidencing the insurance then in effect. If Franchisee fails to obtain or maintain in force any insurance as required by this Article 9 or to furnish any certificate of insurance required herein, Franchisor may, in addition to all other available remedies, obtain the insurance or certificates required by this Article 9, and Franchisee must promptly reimburse Franchisor for all insurance premiums and other costs incurred in obtaining such insurance. This provision will not be deemed to impose on Franchisor any duty or obligation to obtain or maintain any specific forms or amounts of insurance for Franchisee or as an undertaking or representation by us that such insurance as Franchisee may obtain will insure Franchisee against all insurable risks of loss which may arise out of Franchisee's operation of the Restaurant.

Section 9.5 Additional Insured. All insurance policies required under this Article 9 shall name the Franchisor and the Licensor as an additional insured by endorsement delivered to Franchisor, and any additional party reasonably designated by the Franchisor, and shall protect Franchisee, the Franchisor and the Licensor against any liability which may arise by reason of this Agreement or the License Agreement or the ownership, maintenance or operation by Franchisee of the Steak n Shake By Biglari Restaurant franchised hereunder.

Article 10 Limitations on Use of Marks, Social Media; Restrictions on Confidential Information and Public Statements; Improvements to the System

Section 10.1 Marks.

(A) The Franchisee acknowledges that it has had no part in the creation or development of nor does it have any property or other rights or claims of any kind in or to any element of the System, the Marks or any matters dealt with in the Manual and that all disclosures made to the Franchisee relating to the System and including, without limitation, the specifications, standards, procedures and the entire contents of the Manual are communicated to the Franchisee solely on a confidential basis and as trade secrets, in which the Franchisor has a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, the Franchisee agrees to maintain the confidentiality of all such information during the Term of this Agreement or at any time thereafter and shall not disclose any portions of the Manual or any information whatsoever with respect to the Franchisee's or the Franchisor's business affairs or the System other than as may be required to enable the Franchisee to conduct its business from the Premises, and the Franchisee further agrees not to use any such information in any other business or in any manner not specifically approved in writing by the Franchisor.

(B) Franchisee acknowledges that the Marks are owned by the Licensor, and that Franchisee's right to use the Marks is subject to the License Agreement between Franchisee and Licensor. Franchisee agrees to use the Marks solely in accordance with the terms of this Agreement and as specifically authorized by the License Agreement.

(C) Any and all goodwill arising from the Franchisee's use of the Marks shall inure solely and exclusively to the benefit of the Licensor, and upon expiration of termination of this Agreement and/or the License Agreement, no monetary amount shall be assigned to Franchisee or any of its Owners, affiliates, subsidiaries, successors, licensees or assigns as attributable to any

goodwill associated with Franchisee's use of the System or the Marks.

(D) Franchisee will not use the words "Steak n Shake", "Steak n Shake By Biglari" or the Marks in the name of its corporation, partnership, limited liability company or other similar entity. Franchisee must clearly indicate on its business stationary that Franchisee is an independent owner and operator of the Restaurant and that Franchisee is a Steak n Shake By Biglari franchisee. Franchisee must display a sign in the Restaurant which is clearly visible to the general public indicating that the Restaurant is independently owned and operated.

(E) Franchisee may not use the Marks in connection with the offer or sale of any product or service that has not been approved by Franchisor for offer and sale in the Restaurant or in connection with the offer or sale of any product or service at a price point that is not in compliance with any mandatory price established by Franchisor for such product or service. Failure to comply with this paragraph will constitute an unauthorized use and infringement of Franchisor's and its affiliates' rights in and to the Marks.

Section 10.2 Improvements to System. Any and all improvements in the System, including but not limited to recipes, techniques, methods, processes, products, or other concepts and features relating to the restaurant or business operations and/or marketing developed by Franchisee, the Franchisor or other franchisees, shall be and become the sole and absolute property of the Franchisor, and the Franchisor may incorporate the same in the System and shall have the sole and exclusive right to copyright, patent, register and protect such improvements in the Franchisor's own name to the exclusion of Franchisee, whose right to use such improvements are limited to its right as a Franchisee hereunder. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques, and products conceived or developed by Franchisee, its affiliates, owners or employees during the Term of this Agreement relating to the development and/or operation of the Restaurant. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners, or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, and products in all restaurant businesses operated by Franchisor or its affiliates, franchisees, and designees. The Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques, or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

Section 10.3 Notification of Infringements and Claims. Franchisee shall notify the Franchisor and Licensor immediately of any apparent infringement of or challenge to Franchisee's use of any Marks, or claim by any person of any right in any Marks, and Franchisee shall not communicate with any person other than the Franchisor, Licensor and their respective counsel in connection with any such infringement, challenge or claim. The Franchisor and/or Licensor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office or Copyright Office proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to the Marks. Franchisee agrees to execute and deliver any and all instruments and documents which, in the opinion of Franchisor's and/or Licensor's counsel, are necessary or advisable to protect and maintain the interests of the Franchisor and Licensor in any such

litigation or administrative proceeding or to otherwise protect and maintain the interests of the Franchisor and Licensor in the Marks.

Section 10.4 Discontinuance of Use of Marks. If it becomes advisable at any time, in the Franchisor's sole discretion, for the Franchisor and/or Franchisee to modify or discontinue use of any Marks, and/or use one or more additional, substitute Marks, Franchisee agrees to comply therewith within a reasonable time after notice thereof by the Franchisor, at the Franchisee's expense.

Section 10.5 Non-Disclosure of Confidential Information and Restrictions on Public Statements.

(A) The Franchisor may disclose Confidential Information to Franchisee by furnishing layouts, specifications and guidance in the development and operation of the Restaurant, the training program, the Manual and other instructional manuals, sale promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to Franchisee during the Term of the Franchise or Franchisee may acquire the Confidential Information from the Franchisor, from other franchisees or incident to the operation of the Restaurant. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to franchisee under a confidentiality notice is expressly conditioned upon Franchisee and each of its Owners (as may change from time to time) executing a Personal Covenant agreeing to the restrictions on Confidential Information as set forth in this Franchise Agreement. The form of Personal Covenant required from each Principal Owner is set forth in **Appendix B-1** and the Confidentiality and Waiver Agreement required from each Owner holding an interest of less than ten percent (10%) in Franchisee is set forth in **Appendix B-2** and must be signed by each Principal Owner and Owner, respectively, as a condition to such individual or entity acquiring an interest in Franchisee.

(B) Franchisee agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to utilize it in the development and operation of the Restaurant during the Term hereof, and that the use or duplication of the Confidential Information in any other restaurant business would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary to the Franchisor and is a trade secret of the Franchisor and is disclosed to Franchisee solely for use by Franchisee in the development and operation of the Restaurant during the Term hereof and on the condition that Franchisee does hereby agree, that it:

(i) will not use the Confidential Information in any other business or capacity;

(ii) will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the Term of this Agreement;

(iii) will not under any circumstance disclose any Confidential Information to any media outlet or post such Confidential information on any websites, social media, or in other formats available to the public;

(iv) will not make unauthorized copies of any portion of the Confidential Information disclosed;

(v) shall be solely responsible for ensuring that Franchisee's Authorized Recipients (defined in subsection (vi) below) having access to Confidential

Information comply with this Section 10.5 and to not communicate, divulge, or use the Confidential Information in violation of this Section 10.5;

(vi) will adopt and implement all reasonable procedures prescribed from time to time by the Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including without limitation:

(a) restricting access to and disclosure of Confidential Information to only those Owners and employees of Franchisee whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; Franchisee's and its Owners' attorneys, accountants, lenders, and insurers on a need to know basis; and with respect to Financial Information only, Franchisee's landlords and/or prospective purchases (provided they execute a non-disclosure agreement agreeing to the confidentiality provisions set forth herein for the benefit of Franchisee and Franchisor and use the Financial Information solely for the purpose of evaluating the purchase of the Restaurant(s)) (collectively, the foregoing are referred to as "**Authorized Recipients**");

(b) restricting access to Confidential Information to prevent the theft, unauthorized duplication and discovery of such Confidential Information;

(c) requiring all Owners, managers and employees with access to Confidential Information to execute the form of Confidentiality and Waiver Agreement attached hereto as Appendix B-2, agreeing to maintain the confidentiality of all Confidential Information during the course of their ownership and/or employment. Copies of the executed confidentiality agreements must be kept for five (5) years after any such employee leaves their employment or affiliation with Franchisee and must be provided to Franchisor upon request.

(C) Permissible Disclosures of Confidential Information. Notwithstanding the foregoing, Franchisee or an Authorized Recipient may disclose the Confidential Information if and to the extent that such disclosure is required by applicable law or valid subpoena ("Required Disclosures"), provided that Franchisee or Authorized Recipient (as applicable) first provides Franchisor with a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by Franchisor, Franchisee or Authorized Recipient (as applicable) shall join Franchisor in any request to limit the disclosure by means of a protective order or a request for confidential treatment. Additionally, notwithstanding anything to the contrary contained herein, Franchisee may submit sales data in connection with applicable tax filings required by law without Franchisor's prior consent.

(D) Restrictions on Public Statements. Franchisee (including its Owners or employees) shall not, without the Franchisor's express written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

(i) makes any statement which disparages, ridicules or is derogatory of the

System, the Steak n Shake By Biglari brand or Marks, the Franchisor, its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or any Steak n Shake By Biglari franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any Steak n Shake By Biglari franchisee;

(ii) pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or

(iii) pertains to any litigation pending or threatened against Franchisee, a Steak n Shake By Biglari franchisee, the Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

(iv) Subsections (i) through (iii) immediately above are collectively referred to "Public Statements".

(v) Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena ("Required Statements") shall be permitted if the Franchisee (or its Owner(s), as applicable) uses reasonable efforts to limit the public statement by means of a protective order or a request for confidential treatment and provides Franchisor a reasonable opportunity to review the Public Statements before it is made and to interpose its own objection to the Public Statements.

(E) Confidentiality Regarding Potential Sites. Neither Franchisee nor its Owners shall issue any press releases or make any statements to the general public disclosing any sites which it may be considering for a Restaurant, except as required to obtain government permits and third party approvals, in connection with financing for the Restaurant or with the prior written approval of an officer of Franchisor. Franchisee shall require all brokers representing Franchisee to execute a confidentiality agreement whereby the broker agrees to the foregoing restrictions. Franchisee shall not be deemed in default of this provision for any unauthorized disclosure by any broker.

(F) Limited Exceptions for Disclosure of Confidential Information and Public Statements. The restrictions set forth in this Section 10.5 with respect to Confidential Information and Public Statements shall not interfere with Franchisee's, its Owners' or managers' federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

Section 10.6 Online Use of Marks and Restrictions on Social Media. Franchisee shall not use the Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium without the Franchisor's written consent. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent. Franchisee acknowledges that it is strictly prohibited from: i) promoting its Restaurant and/or using the Marks on any social or networking website or application, including Facebook, LinkedIn, Instagram, TikTok and X, or any similar sites; (ii) using a web application or native mobile app (e.g., iOS, Android) for the purposes of marketing, receiving customer orders, or otherwise communicating with customers; and (iii) reselling proprietary retail products or merchandise such as canned chili, beef tallow cooking oil, and Steak n Shake branded apparel through any means other than from within its Restaurant,

without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion.

(i) The requirement for Franchisor's prior approval set forth in this Section 10.6 will apply to all activities on the Internet or other online communications conducted by Franchisee (including advertisements to multiple addresses via e-mail), and if the Franchisor approves any such website or other online communications, in addition to the restrictions set forth in Sections 1.5(F) and 10.5 herein, Franchisee agrees that:

(ii) Franchisee may only use material that the Franchisor has approved;

(iii) Franchisee shall provide all hyperlinks or other links that the Franchisor may require;

(iv) Franchiseee may not use any of the Marks on the website except as expressly approved by Franchisor; and

(v) If Franchisee intends to modify its approved website, all proposed modifications must also receive Franchisor's prior written approval.

Section 10.7 Remedies for Breach of Article 10. Franchisee understands and acknowledges that any failure to comply with the requirements of this Article 10 will result in substantial injury and damage to Franchisor for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this Article 10 or if an Authorized Recipient violates or threatens to violate any term of Section 10.5 herein, the Franchisor will be entitled, in addition to any other remedies and damages available, to injunctive or other equitable relief to restrain the violation of this Article 10 by Franchisee and/or Authorized Recipients. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Article 10, in addition to any other remedies to which Franchisor may be entitled.

Section 10.8 Franchisor's Use of Franchisee's Information. Notwithstanding anything to the contrary contained herein, Franchisor may disclose to any person or use for any purpose, any Financial Information (as defined in Section 1.1 (h) herein) and/or other information regarding Franchisee in Franchisor's possession, without obtaining Franchisee's consent.

Section 10.9 Survival. The covenants set forth in this Article 10 shall survive the termination or expiration of this Agreement.

Article 11 Events of Default

Section 11.1 Default.

(A) Non-curable Defaults. The Franchisee shall be deemed to be in default and the Franchisor may, at its option and without prejudice to any other rights or remedies provided for hereunder or by law, terminate this Agreement and all rights granted hereunder without affording the Franchisee any opportunity to cure the default effective immediately upon receipt of written notice by the Franchisee without the need judicial declaration to that effect and without prejudice to the corresponding collection of damages (as applicable), upon the occurrence of any of the following events (regardless of whether Franchisor observed in person or determined through other means, including observation through the required camera systems):

(i) If the Franchisee fails to complete construction of the Restaurant and to open for business within the time periods set forth in Section 3.2 herein. The Franchisor may, but is not required to, extend this period to address unforeseen construction delays, not within the control of the Franchisee.

(ii) Franchisee knowingly offers or sells food or beverage products other than those designated by Franchisor or which fail to conform to Franchisor's specifications or standards, or which were acquired from a non-approved supplier or not prepared in accordance with the methods prescribed by Franchisor, or fails to offer or sell required products designated by Franchisor.

(iii) Franchisee knowingly uses a menu other than the Designated Menu, alters the Designated Menu in any respect without Franchisor's prior written consent, offers or sells products for a price which is not in compliance with any mandatory pricing established by Franchisor, or fails to participate in any required marketing program or promotion.

(iv) If the Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by the Franchisee or such a petition is filed against the Franchisee and not opposed by the Franchisee; or if the Franchisee is adjudicated bankrupt or insolvent; or if a receiver or other custodian (permanent or temporary) of the Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under the applicable law of any jurisdiction should be instituted by or against the Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed or other steps are taken to stay effectively the enforcement of such judgment in the relevant jurisdiction); or if the Franchisee is dissolved; or if execution is levied against the Franchisee's property or business; or if suit to foreclose any lien or mortgage against the Restaurant or equipment is instituted against the Franchisee and not dismissed within thirty (30) days; or if the real or personal property of any Franchised Business developed hereunder shall be sold after levy thereupon by any sheriff, marshal, constable or equivalent governmental authority.

(v) Franchisee or any Principal Owner is convicted of (regardless of any pending appeal) or pleads no contest to a felony or any other crime that is reasonably likely to adversely affect the System, the Restaurant or the goodwill associated with the Marks.

(vi) Any failure (whether intentional or accidental) to comply with all of Franchisee's obligations as described in Section 10.5 herein; provided, however, if a breach of Section 10.5 arises from the unauthorized acts of any Authorized Recipients (excluding an Owner of Franchisee) and without the knowledge or consent of Franchisee or its Owners, Franchisor shall not exercise its termination rights pursuant to this Article 11 if Franchisee uses its best efforts to promptly cure such breach in a reasonable period of time based on the circumstances (to the extent the breach is susceptible of being cured); provided, however, Franchisor shall have no obligation to provide more than two (2) notices and cure periods for any breaches of Section 10.5 during any twelve (12) month period arising from the

unauthorized acts of Franchisee's Authorized Recipients nor shall this exception be interpreted as a waiver by Franchisor of its right to pursue monetary damages or injunctive relief for any breach of Section 10.5 herein.

(vii) Franchisee or any of its Owners utilizes, duplicates or discloses any portion of the Manual in violation of this Agreement or makes any unauthorized use of the Marks, including the use and/or distribution of any menus which have not been prepared or approved in advance by the Franchisor or any intentional alteration of marketing materials without Franchisor's prior consent. Notwithstanding the foregoing, if the unauthorized use, duplication or disclosure arises from the acts of Franchisee's employee(s) without the knowledge or consent of Franchisee or its Owners, Franchisee shall not be deemed in default under this Agreement if Franchisee uses its best efforts to promptly cure such breach in a reasonable period of time based on the circumstances (to the extent the breach is susceptible of being cured); provided, however, Franchisor shall have no obligation to provide more than two (2) notices and cure periods for any such breaches during any twelve (12) month period arising from the unauthorized acts of Franchisee's employees nor shall this exception be interpreted as a waiver by Franchisor of its right to pursue monetary damages or injunctive relief for any such breach.

(viii) Franchisee denies the Franchisor the right to inspect the Restaurant or to examine its books and records and other business documents in accordance with the Agreement.

(ix) Franchisee submits, or the Franchisor learns that Franchisee has previously submitted to the Franchisor, a franchise application, a management commitment form and/or capitalization plan which contains any false or misleading statements or omits any material fact necessary in order to make the statements made not misleading.

(x) Franchisee submits to the Franchisor at any time during the Term of this Agreement, reports, financial statements, tax returns or schedules or other information or supporting records which intentionally understate Gross Receipts for any period covered by such report by more than two percent (2%).

(xi) Franchisee fails to timely pay the Franchisor, its affiliates or the Licensor any amounts due pursuant to this Agreement or the License Agreement or for products and/or services Franchisor provides, including but not limited to payment of the Royalty and System Fees, Digital and Production Fund Fees and License Fees when due; provided, however, Franchisor will not terminate this Agreement for non-payment without giving Franchisee the opportunity to make such payment within ten (10) days after receipt of written notice demanding such payment; provided further, however, that Franchisee will be entitled to only two (2) such notices in any twelve (12) consecutive month period under this Agreement, and upon a third violation of this subsection in any twelve (12) consecutive month period, this Agreement may be immediately terminated by the Franchisor.

(xii) Franchisee fails on two or more separate occasions within any twelve (12) consecutive month period to submit when due financial statements, reports or other data, information or supporting records required by this Agreement, unless such

failures are corrected within ten (10) days after notice is delivered to Franchisee; provided, however, that Franchisee will be entitled to only two (2) such notices in any twelve (12) consecutive month period under this Agreement.

(xiii) Franchisee makes an unauthorized assignment of the Franchise or, if Franchisee is a corporation, limited liability company, partnership, limited partnership or other entity ("Legal Entity"), except as otherwise approved by the Franchisor as provided in Article 13, there occurs the sale, assignment, pledge, encumbrance or other Transfer of any ownership interest causing a loss or addition of a Principal Owner or a change in the controlling interest of Franchisee, or there occurs any Transfer of assets of the Franchise (other than sales in the ordinary course of business) without the Franchisor's prior written consent, which may be withheld in the Franchisor's sole discretion.

(xiv) the License Agreement is terminated pursuant to the terms thereof.

(xv) if a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant or from the material violation of any health and safety laws, rules, or regulations which poses a significant public health and safety concern, or if the Restaurant is closed as a result of a failed inspection by the health department and in such event the Franchisor determines, in its sole discretion, that critical violations of applicable health codes are the result of repeated or material failure by the Franchisee to comply with the requirements of the Franchise Agreement or the health department. Notwithstanding anything in this Agreement to the contrary, the Franchisor shall have the right, in lieu of exercising any right of termination, to require that the Restaurant be closed to the public and/or remain closed until the applicable food, health, or safety matters are cured.

(xvi) Franchisee or any of its Principal Owners is involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the Marks or the System.

(xvii) If Franchisee's action or inaction, at any time, results in the loss of the right to possession of the Restaurant, or forfeiture of the right to do or transact business in the jurisdiction where the Restaurant is located;

(xviii) If Franchisee at any time ceases to operate or otherwise abandons the Restaurant for a period of three (3) consecutive days or fails to operate the Restaurant during required business hours, unless such closure or limited hours are the result of Force Majeure, beyond the reasonable control of Franchisee or otherwise approved in writing by Franchisor or required for remodeling in order to comply with this Agreement, provided such remodeling is diligently pursued, or excused by Force Majeure.

(xix) Franchisee shall fail to make timely payments or is repeatedly past due in the payment of undisputed invoices from approved suppliers of products required for sale in the Restaurant, and such failure to pay results in Franchisee's inability to procure products which Franchisee is required to sell in the Restaurant from suppliers approved by Franchisor.

(xx) If the Franchisee or its Principal Owners fail to comply with the Restrictive Covenants contained in Article 12 of this Agreement and/or the Restrictive Covenants applicable to all Principal Owner pursuant to the Personal Guaranty and Personal Covenants, or if Franchisee fails to deliver the signed Personal Guaranty and Personal Covenants required from all Principal Owners of the Franchisee, and/or the Confidentiality and Waiver Agreement required from all Owners and management employees within ten (10) days following receipt of written request from Franchisor for such signed documents.

(xxi) Franchisee or any of its Owners (i) violate any "Anti-Terrorism Laws", as defined below, (ii) is listed under any such Anti-Terrorism Laws, (iii) has any dealings with any person listed under any such Anti-Terrorism Laws, and/or (iv) has assets blocked under any such Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the u.s. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the US Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(xxii) Franchisee fails to operate and maintain the Required Technology in accordance with Franchisor's requirements and guidelines as outlined in the Manuals, and such failure either prevents Franchisor from Polling or poses an imminent risk to the security of customer and/or financial data, and Franchisee fails to bring its Required Technology into compliance within five (5) days after receiving notice from Franchisor.

(xxiii) Franchisee fails to continuously employ a sufficient number of properly trained managers to operate the Restaurant as required by this Agreement.

(xxiv) Franchisee (including its Principal Owners): (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor notifies Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee; or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor notifies Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee.

(xxv) Franchisee fails to maintain the insurance required by Article 9 herein, including naming Franchisor as an additional insured, and fails to cure within two (2) business days of receiving written notice.

(xxvi) Franchisee fails to use and/or display required marketing materials in accordance with Franchisor's requirements and guidelines as outlined in the Manual within five (5) days after receiving notice (provided, however, Franchisee shall not be required to display any materials which would violate local ordinances). Notwithstanding the foregoing, if Franchisee fails to display required marketing materials on three (3) or more separate occassions during any twelve (12) month period after receiving written notices from the Franchisor on each such occasion, any future failures to display required marketing materials within the twelve (12) month period shall constitute cause for immediate termination without a cure period.

(B) Curable Defaults. The Franchisee shall be deemed to be in default and the Franchisor may, at its option and without prejudice to any other rights or remedies provided for hereunder without the need for judicial declaration to that effect and without prejudice to the corresponding collection of damages (as applicable), or by law, terminate this Agreement and all rights granted hereunder upon the occurrence of any of the following events of default unless Franchisee promptly takes action to cure such default, and, within thirty (30) days after receipt of a notice from the Franchisor, succeeds in curing such default:

(i) Franchisee fails to operate the Restaurant in compliance with the standards prescribed by the Franchisor; fails to maintain the Restaurant in good condition and repair, or fails to make all improvements, alterations or remodelings as required by this Agreement.

(ii) Failure by Franchisee to conduct the Restaurant business in compliance with all laws and regulations as required by Section 5.1(C) of this Agreement.

(iii) Franchisee fails to repair, restore or relocate the Restaurant building and premises after damage, destruction or public taking as provided in Section 3.2 and Section 3.7 hereof.

(iv) Franchisee, its General Manager, multi-unit supervisor, Principal Owners or any managerial employees with responsibility for the day-to-day operations of the Restaurant fail to complete all phases of any required training program to the Franchisor's satisfaction.

(v) Franchisee fails to identify the location for the Restaurant and provide Franchisor with information on the proposed location within seventy (70) days following the Effective Date of this Agreement (or such later date indicated in **Appendix A**), as required by Section 3.1(B) herein.

(vi) Franchisee fails to submit site or engineered building plans to Franchisor within the deadline established by Section 3.2 herein.

(vii) Franchisee fails to operate and maintain the Required Technology in accordance with Franchisor's requirements and guidelines as outlined in the Manuals; provided, however, any failure which prevents Franchisor from Polling or poses an imminent risk to the security of customer and/or financial data shall be governed by subsection (A) (xxi) above.

(viii) Franchisee defaults in the performance of any other term, condition or covenant contained herein which is not corrected within the time and under the conditions provided herein with respect thereto.

(ix) If, following a breach of Section 10.5 herein (whether accidental or intentional) arising solely from the unauthorized acts of any employee of Franchisee without Franchisee or its Principal Owner's knowledge or consent, and following notice from Franchisor to Franchisee, Franchisee fails to use its best efforts to promptly cure such breach in a reasonable period of time based on the circumstances (if the breach is susceptible of being cured); provided, however, Franchisor shall have no obligation to provide more than two (2) notices and cure periods for any breach(es) of Section 10.5 during any twelve (12) month period arising from the unauthorized acts of Franchisee's employees.

(x) If Franchisee fails to submit financial information when required pursuant to Section 8.1 or utilize the Service Provider required for Bookkeeping Services pursuant to Section 8.1, except as authorized in writing by an officer of Franchisor; provided, however, Franchisor shall have no obligation to provide more than two (2) notices and cure periods for any breach(es) of this subsection (x) during any twelve (12) month period.

(xi) If Franchisee fails to contract for broadband network connectivity of a minimum of 10Mb to the extent it is available at the Authorized Location.

(C) Franchisor's Default. If Franchisee is in substantial compliance with this Agreement and the Franchisor materially breaches this Agreement and fails to cure such breach within thirty (30) days after the Franchisor receives written notice thereof from Franchisee, or such longer time if the breach is of a nature that it cannot reasonably be cured within a thirty (30) day period provided that Franchisor is diligently working to cure such breach, Franchisee may, at its option, terminate this Agreement.

(D) No Waiver. The exercise by either party of any right of termination shall not constitute a waiver of any other rights or remedies available to that party for violations of this Agreement under this Agreement or under applicable law. The failure of either party to terminate this Agreement upon the occurrence of one or more acts of default will not constitute a waiver or otherwise affect the party's right to terminate this Agreement because of a continuing or subsequent failure to cure one or more of the aforesaid acts of default or any other default.

(E) No Judicial Order Required. The parties acknowledge and agree that a court order shall not be required to give effect to any termination of this Agreement.

Section 11.2 Effect of Any Termination, Cancellation or Expiration of this Agreement.

(A) In the event of a termination following Franchisee's breach of this Agreement, Franchisor shall have an immediate right to enter and take possession of the Restaurant in order to maintain continuous operation of the Restaurant, to provide for orderly change of management and disposition of personal property, and to otherwise protect Franchisor's interest. Franchisee, upon any termination, cancellation or expiration of this Agreement, shall promptly pay to the Franchisor, its affiliates and subsidiaries, any and all sums owed to them. In the event of termination pursuant to Section 11.1, such sums shall include all damages, costs and expenses,

including reasonable attorneys' fees, incurred by the Franchisor as a result of the termination, which obligation shall give rise to and remain, until paid in full, a lien in favor of the Franchisor against any and all of the assets of the Restaurant owned by Franchisee at the time of termination. Franchisee shall execute such documents as Franchisor may reasonably require to effectuate termination of the Franchise Agreement and Franchisee's rights to use the trademarks and systems of Franchisor.

(B) Upon termination, cancellation or expiration hereof for any reason, all Franchisee's rights hereunder shall terminate. Franchisee shall not thereafter use or adopt any secret recipes, formulas, trade secrets, Confidential Information, the Manual, or other proprietary information disclosed to it hereunder, or any china or glassware, emblems, signs, displays or other property on which the Franchisor's name or Marks are imprinted, or any simulation thereof. Franchisee shall immediately and permanently cease any and all use of the Marks and any Required Technology which is based on Franchisor's proprietary processes or utilizes Franchisor's proprietary information. Franchisee shall not otherwise use or duplicate the System or any portion thereof or assist others to do so. Franchisee shall remove from the premises all signs, emblems and displays identifying it as associated with the Franchisor or its System and shall surrender or destroy all written materials bearing the Marks. Franchisee shall cease to use and shall destroy or return to the Franchisor all copies of the Manual and all other manuals, instructions or materials delivered to it hereunder and shall relinquish its Steak n Shake By Biglari Restaurant telephone number and web address and assign such telephone number and web address to the Franchisor or the Franchisor's designee. At the Franchisor's discretion, Franchisee shall also provide written notice to all telephone directory providers to remove Franchisee's Steak n Shake By Biglari Restaurant listing.

(C) Upon termination, cancellation or expiration of this Agreement, upon receipt of written request by the Franchisor, Franchisee shall at Franchisee's sole expense change the exterior and interior design, color scheme, decor and trade dress of the Restaurant premises from that unique to Steak n Shake By Biglari Restaurants, and shall make or cause to be made such changes in signs, building and structure as the Franchisor shall reasonably direct, so as to effectively distinguish the same from its former appearance and from other Steak n Shake By Biglari Restaurants, including, but not limited to removal of building letters, signage and awnings. Franchisee shall complete all such modifications within ten (10) days after receipt of written notice from the Franchisor. If Franchisee fails or refuses to comply herewith, then the Franchisor or the Franchisor's affiliate shall have the right to immediately enter upon the Restaurant property without notice and without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes at the expense of Franchisee, payable on demand to the Franchisor. No other business shall be conducted in the former Steak n Shake By Biglari Restaurant building until such modifications have been completed.

(D) Upon termination, cancellation or expiration of this Agreement, unless otherwise authorized under other agreements then in effect with Franchisor, Franchisee shall cease to hold itself out as a franchisee of the Franchisor or do anything which would indicate any relationship between it and the Franchisor, and Franchisee shall take all appropriate steps to immediately cancel all fictitious or assumed name filings or equivalent registrations with state and local governmental agencies. Additionally, Franchisee and its Owners shall comply with the restrictive

covenants set forth in Article 12 herein which expressly survive expiration, termination or cancellation of this Agreement.

(E) In the event this Agreement is terminated by Franchisee pursuant to Section 11.1 (C) hereof, the Franchisor shall reimburse Franchisee for the reasonable expenses incurred by Franchisee in connection with the removal from the premises of all signs, emblems and displays identifying it as associated with the Franchisor or the System, and any other reasonable expenses incurred to comply with any and all other requirements of Franchisee under Section 11.2 (B) and Section 11.2 (C).

(F) The covenants set forth in subsections (A), (B), (C), (D) and (E) of this Section 11.2 shall survive the termination, cancellation or expiration of this Agreement.

(G) All rights, claims and indebtedness which may accrue to the Franchisor or Franchisee prior to termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration and be enforceable by the Franchisor or Franchisee. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in seeking recovery of damages caused by any action of Franchisee in violation of, or in obtaining injunctive relief for the enforcement of, any portion of this Section 11.2. Further, Franchisee acknowledges and agrees that any failure to comply with the provisions of this Section 11.2 shall result in irreparable injury to Franchisor.

(H) If Franchisor terminates this Agreement because of Franchisee's breach or if Franchisee terminates this Agreement without cause, Franchisee and Franchisor agree that it would be difficult, if not impossible, to determine the amount of damages that Franchisor would suffer due to the loss or interruption of the revenue stream Franchisor otherwise would have derived from Franchisee's continued payment of Royalty and System fees, and Local Digital and Production Fund Fees that Franchisor would have otherwise derived from Franchisee's continued contributions to those funds, through the remainder of the term of this Agreement. Therefore, Franchisee and Franchisor agree that a reasonable estimate of such damages, less any cost savings Franchisor might have experienced (the "Lost Revenue Damages"), is an amount equal to the net present value of the Royalty and System fees, Digital and Production Fund Fees that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) five years following the date of termination, or (b) the scheduled expiration of the term of this Agreement (the "Measurement Period"). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of the Royalty and System fees, Digital and Production Fund Fees percentages, multiplied by (3) the average monthly Gross Sales of your Restaurant during the 12 full calendar months immediately preceding the termination date; provided, that if as of the termination date, Franchisee's Restaurant has not been operating for at least 12 months, the average monthly Gross Sales of all Restaurants operating under the Marks during the entirety of Franchisor's fiscal year immediately preceding the termination date.

Franchisee agrees to pay Franchisor Lost Revenue Damages, as calculated in accordance with this Section, within fifteen (15) days after this Agreement expires or is terminated as set forth herein, or on any later date that Franchisor determines. Franchisee and Franchisor agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that

nothing herein shall preclude or limit Franchisor from proving and recovering any other damages caused by Franchisee's breach of the Agreement.

(I) If Franchisee is in default under this Agreement beyond applicable cure periods and Franchisor elects not to terminate this Agreement, Franchisor may unilaterally elect to eliminate Franchisee's Protected Area for the remainder of the Term of this Agreement by written notice to Franchisee.

(J) If any termination or expiration of the Term of this Agreement would violate any applicable law, Franchisor may, at its sole discretion, reinstate or extend the Term for the purpose of complying with the law.

(K) The foregoing shall be in addition to any other rights or remedies of Franchisor that exist under statute, regulation or common law.

Section 11.3 Franchisor's Option to Purchase the Restaurant, Equipment and Furniture.

(A) Upon termination, cancellation or expiration hereof for any reason, the Franchisor shall have the right and option to purchase, or to cause its affiliate to purchase the Restaurant, or a portion of the assets of the Restaurant (including any furniture, fixtures, equipment and improvements), which may include, at Franchisor's option, all of Franchisee's leasehold interest in and to the real estate upon which the Restaurant is located, but not including any other interest in real property. The purchase price for all or a portion of the foregoing assets shall be their fair market value (as adjusted by setting off and reducing the purchase price by any amount then owing by Franchisee to Franchisor or its affiliates and any amounts paid by Franchisor to cure Franchisee's defaults with third parties such as landlords (the decision to pay such cure amounts to be the sole decision of Franchisor). If the parties cannot agree on the fair market value for such assets within five (5) days following Franchisee's receipt of Franchisor's offer price such dispute shall be arbitrated by an independent appraiser agreed upon by the Franchisee and the Franchisor, and his or her determination shall be binding. In the event the parties cannot agree on an appraiser within ten (10) days following Franchisee's receipt of Franchisor's offer price, then they shall each choose an appraiser to evaluate the property and deliver written notice to the other party within twenty (20) days following Franchisee's receipt of Franchisor's offer price, and in the event that Franchisee fails to appoint an appraiser within such time, Franchisor's offer price shall determine the fair market value. If the difference between the two appraisals is ten percent (10%) or less, the value will be based on the average of the appraisals or such other amount mutually agreed to by the parties. If the difference between the two appraisals is more than ten percent (10%), the two appraisers will agree upon a third appraiser who will make the final determination as the value of the property. Franchisee and the Franchisor shall share equally the expenses and fees of such appraisers. There shall be no allowance for goodwill.

(i) If all, or any portion of, Franchisee's assets that are being purchased by the Franchisor are subject to liens, Franchisor may pay, on Franchisee's behalf, the lienholder(s) that portion of the purchase price for Franchisee's assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s) in lieu of paying Franchisee those funds).

(ii) Franchisee hereby grants Franchisor a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including Franchisee's interests under all real property and personal property leases) of the

Restaurant, together with all similar property now owned or hereafter acquired additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant. All items in which a security interest is granted are referred to as the "Collateral."

(B) In the case of termination by the expiration hereof, the Franchisor may exercise the option contained in Section 11.3 (A) by giving Franchisee written notice at least thirty (30) days prior to expiration. In the case of termination by Franchisor, the Franchisor may exercise its option by giving Franchisee written notice within the later of thirty (30) days after termination or a court order enforcing Franchisor's termination of this Agreement. If Franchisee terminates without notice or Franchisee terminates for cause, Franchisor shall have thirty (30) days to exercise the option after receipt of actual notice of the termination or such additional time as is reasonably necessary given the circumstances. Franchisee must sign all documents of transfer reasonably necessary for purchase of the Restaurant by Franchisor or the third party assignee, which documents shall include all customary representations and warranties from Franchisee as to ownership and condition of, and title to, the assets of the Restaurant being transferred. All assets must be transferred free and clear of all liens and encumbrances, with all sales and transfer taxes paid by Franchisee. The closing will take place on the date designated by Franchisor.

(C) Upon termination, cancellation or expiration of this Agreement, the Franchisor shall have the right and option to purchase, or to cause its affiliate to purchase, all of Franchisee's unbroken inventory packages of approved items and usable and salable supplies at Franchisee's cost; provided, however, that the Franchisor's option to purchase shall exclude such inventory which Franchisee may elect to transfer to another of its franchised Steak n Shake By Biglari Restaurants, if any. If Franchisor desires to purchase such items, Franchisor shall, not later than ten (10) days after termination, cancellation or expiration of this Agreement, give Franchisee written notice of its election and, within ten (10) days of such notice, Franchisee shall deliver such items at Franchisor's expense with an itemized inventory to the nearest Franchisor-owned Steak n Shake By Biglari Restaurant or to such other location designated by the Franchisor. The Franchisor agrees to pay the purchase price to Franchisee or to credit such amount to Franchisee's account within seven (7) days after said delivery. The purchase price for inventory shall be adjusted by setting off and reducing the purchase price by any amount then owing by Franchisee to Franchisor or its affiliates and any amounts paid by Franchisor to cure Franchisee's defaults with third parties such as landlords (the decision to pay such cure amounts to be the sole decision of Franchisor).

(D) The Franchisor's options hereunder are without prejudice to its right under any security interest held by it or with respect to which it may have a guarantor's or surety's subrogation interest. If the Franchisor exercises its said option or options, it may offset any debts which Franchisee owes to it and shall remit promptly any balance of the purchase price to Franchisee.

(E) In the event this Agreement is terminated by Franchisee pursuant to Section 11.1 (C) hereof, the Franchisor shall be required to purchase, or to cause its affiliate to purchase, any patented, special, distinctive or unique Steak n Shake By Biglari Restaurant equipment, furnishings, signs, sign faces and decor of Franchisee at their fair market value; provided, however, that the requirement that the Franchisor purchase any such equipment and furnishings may be waived by Franchisee if Franchisee elects to transfer such equipment and furnishings to another of its franchised Steak n Shake By Biglari Restaurants, if any. If the parties cannot agree

on the fair market value for such equipment within a reasonable time, such dispute shall be arbitrated by an independent appraiser selected by Franchisee and the Franchisor, and his or her determination shall be binding. In the event the parties cannot agree on an appraiser, then they shall each choose an appraiser to evaluate the property. The value of the property will be the average of the two appraisals submitted. Franchisee and the Franchisor shall share equally the expenses and fees of such appraisers. There shall be no allowance for goodwill. Additionally, in the event this Agreement is terminated by Franchisee pursuant to Section 11.1 (C) hereof, the Franchisor shall be required to purchase all of Franchisee's unbroken inventory packages of approved items and usable and salable supplies at Franchisee's cost; provided, however, that this requirement may be waived by Franchisee if Franchisee elects to transfer such items and supplies to another of its franchised Steak n Shake By Biglari Restaurants, if any. Payment for any such equipment, furnishings, signs, sign faces, decor, inventory or supplies, as the case may be, shall be made to Franchisee or credited to Franchisee's account within seven (7) days of delivery to the Franchisor. Notwithstanding anything in this Section 11.3 (E) to the contrary, the Franchisor shall not be required to purchase any equipment or furnishings that are not distinct or unique to a Steak n Shake By Biglari Restaurant. Franchisor may offset any amounts due from Franchisee to Franchisor or Licensor under this Agreement or any other agreement between Franchisor and Franchisee against any amount due from Franchisor under this Section 11.3(E).

Article 12 Restrictive Covenants.

Section 12.1 Competition During Term of Agreement. Franchisee agrees (in consideration of the Franchisor entering into this agreement), that, beginning on the Effective Date, and during the initial Term and any renewal period thereof, neither Franchisee nor its Principal Owners shall own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business. During the Term hereof, Franchisee agrees that for such time as each Principal Owner owns an interest in Franchisee of ten percent (10%) or more, Principal Owner shall not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business.

Section 12.2 Competition After Transfer, Expiration or Termination.

(A) In the event of a Transfer (as defined in Section 13.2 herein), or the expiration or termination of this Agreement for any reason whatsoever, Franchisee agrees that for a period of two (2) years, commencing on the effective date of the Transfer, termination, expiration or non-renewal of this Agreement, Franchisee will not have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Authorized Location or any then-existing Steak n Shake By Biglari Restaurant. Additionally, Franchisee agrees that for a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to be a Principal Owner in Franchisee or the effective date of the Transfer or expiration, non-renewal or termination of the Franchise Agreement pursuant to the terms of such agreement, each Principal Owner shall not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Authorized Location or any then-existing Steak

n Shake By Biglari Restaurant.

(B) If Franchisee or any Principal Owner violates the post-Term covenant set forth in this Section 12.2 above following expiration, termination or transfer of this Agreement, Franchisee acknowledges and agrees that the post-Term covenant period of two (2) years shall be extended to commence on the date the violating party (whether Franchisee or any Principal Owner) first complies with such covenant so as to provide Franchisor with the full benefit of the post-Term covenant period uninterrupted by Franchisee's and/or any Principal Owner's interference.

Section 12.3 Intentionally Omitted.

Section 12.4 Applicability to Principal Owners and Enforcement. Franchisee acknowledges and agrees that in consideration of the Franchisor entering into this Agreement, each Principal Owner shall be required to execute the Personal Guaranty and Personal Covenants attached hereto as Appendix B-1. Franchisee acknowledges that the provisions contained in this Article 12 are reasonable and necessary and agrees that its failure to adhere strictly to the restrictions contained in this Article 12 will cause substantial and irreparable damage to Franchisor and to Franchisor's other franchisees. Upon any breach by Franchisee of any of the terms of this Article 12, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled. Franchisee agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that Franchisor shall have the right to seek temporary or permanent injunctive relief without the necessity of posting bond therefore or proof of actual damages without limiting any other rights Franchisor might have.

Section 12.5 Severability. If the scope of any restriction contained in this Article 12 is too broad to permit the enforcement of that restriction to its fullest extent, then that restriction will be enforced to the maximum extent permitted by law, and Franchisor and Franchisee each consents and agrees that the scope may be judicially limited or modified accordingly in any proceeding brought to enforce that restriction. Each provision contained in this Article 12 is independent and severable and, to the extent that any provision is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, that declaration will not affect the legality, validity or enforceability of any other provision contained in this Agreement or the legality, validity or enforceability of that provision in any other jurisdiction.

Article 13 Assignments

Section 13.1 Assignment by the Franchisor

(A) Assignment This Agreement and all rights hereunder, and any and all of the Franchisor's ownership, can be assigned and transferred by the Franchisor without notice to or consent by Franchisee and, if so, shall be binding upon and inure to the benefit of the Franchisor's successors and assigns, provided, however, that with respect to any assignment requiring the subsequent performance by the assignee of the functions of the Franchisor, the assignee shall expressly assume and agree to perform such obligations. Specifically, and without limitation to the foregoing, Franchisee agrees that the Franchisor may sell its assets, Marks or

System outright to a third party; make a public offering of securities; engage in a private placement of some or all of its securities; merge, acquire other corporations or entities, or be acquired by another corporation or other entity; and undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. Nothing contained in this Agreement shall require the Franchisor to remain in the business if the Franchisor exercises its rights hereunder.

Section 13.2 Assignment by Franchisee.

(A) Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that the Franchisor has granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of the Managing Owner and Principal Owners (if applicable) of Franchisee. Therefore, the prior written approval of the Franchisor is required prior to any voluntary, direct or indirect assignment, sale, subdivision, subfranchise, or other transfer ("**Transfer**") by Franchisee (including without limitation by consolidation or merger) of:

(i) The Franchise or the rights granted pursuant to this Agreement;

(ii) The Restaurant (or any right to receive all or a portion of the Restaurant's profits or losses);

(iii) An ownership interest resulting in an addition or loss of a Principal Owner or a change in the Managing Owner;

(iv) Substantially all of the assets of the Restaurant.

Excluding the death or disability of a Managing Owner or Principal Owner (as applicable) of Franchisee in accordance with and subject to all of the provisions of Section 13.4., any Transfer without Franchisor's prior written approval is a breach of this Agreement and has no effect.

(B) Subject to satisfaction of the conditions outlined below, the Franchisor's approval shall not be unreasonably withheld. Transferees shall be subject to the Franchisor's then current franchisee selection and qualification criteria. Grounds for withholding consent to a Transfer include, but are not limited to:

(i) The Transfer is proposed to be made to any Competing Business or a transferee involved with a Competing Business;

(ii) The Transfer is proposed to be made to a transferee who fails to demonstrate to the Franchisor's satisfaction that it or its owners and management meet the Franchisor's educational, managerial and business standards, possess good moral character, business reputations, and credit ratings, and have the aptitude and ability to conduct the business contemplated by this Agreement; or

(iii) In the Franchisor's sole judgment, the price, payment terms, or other material terms of the transaction or any financing incurred in connection with the transaction are so burdensome, individually or in the aggregate, as to threaten the continued operation of the Steak n Shake By Biglari Restaurant after the Transfer.

(iv) Franchisee in in default under the Franchise Agreement or License Agreement beyond applicable cure periods.

(C) In the event Franchisee, including any successors, is a Legal Entity:

(i) The organizational documents shall recite that the issuance and Transfer of any interest in the Franchise is restricted by the terms of this Agreement, and copies thereof shall be furnished to the Franchisor upon request (together with copies of the Resolutions of the Board of Directors authorizing its entry into this Agreement).

(ii) A Transfer of any fractional ownership interest in Franchisee from one partner, member or shareholder to another or by a partnership, limited liability company or corporation must be approved in advance, in writing, by the Franchisor if such Transfer will result in the loss or addition of a Principal Owner or change in the Managing Owner. One condition of any such Transfer shall be the requirement that all Principal Owners shall execute a written agreement with the Franchisor, personally guaranteeing the full payment and performance of Franchisee's obligations to the Franchisor and individually undertaking to be bound, jointly and severally, by all terms of this Agreement, including, without limitation, the restrictions on assignment in this Article 13 and the non-compete provisions set forth in Article 12 herein.

(iii) Franchisee shall furnish the Franchisor, at the time of execution of this Agreement and upon all Transfers subject to the provisions of this Article 13 thereafter, a list of all stockholders and/or persons having an interest in Franchisee which reflects the percentage interest of each stockholder or person, and the ownership interest directly and indirectly held or controlled by each stockholder or person.

(D) In addition to the restrictions on assignment of Franchisee or all or a portion of the direct or indirect interests in Franchisee set forth above, the Franchisor shall have the right to condition its consent on the satisfaction of the following requirements:

(i) All obligations of Franchisee and its Owners incurred in connection with this Agreement will be assumed by the transferee(s);

(ii) Franchisee, its Owners and Affiliates shall have paid all amounts owed to the Franchisor or its Affiliates which are then due and unpaid;

(iii) The transferee and any new General Manager shall have completed the training program required of new Steak n Shake By Biglari franchisees pursuant to Section 5.3;

(iv) The transferee(s) and its owner(s) shall sign an Acknowledgement of Receipt of the then-current Franchise Disclosure Document and shall execute and agree to be bound by the then existing form of Franchise Agreement and such ancillary agreements, including but not limited to the License Agreement, Personal Guaranty and Personal Covenant, which may contain terms different from those set forth herein;

(v) Franchisee or the transferee(s) shall have paid a Transfer fee to the Franchisor equal to Five Thousand Dollars ($5,000.00) to defray expenses incurred by the Franchisor in connection with the assignment, including without limitation

legal and accounting fees, credit and other investigation charges and evaluation of transferee(s) and the terms of the assignment;

(vi) The Franchisor shall have approved the material terms and conditions of such assignment, including without limitation, approval that the price and terms of payment are not so burdensome so as to adversely affect the future operations of the Restaurant by such transferee(s) in compliance with the Franchisor's then standard Franchise Agreement and ancillary agreements, including but not limited to the License Agreement;

(vii) Franchisee and its Owner(s) shall have entered into an agreement with the Franchisor agreeing to subordinate any rights they may have to receive installment payments of the purchase price from the transferee(s), to the Franchisor's and its affiliates' rights to receive monies from the transferee(s), including without limitation, payment of the License Fee, Royalty and System Fee and Digital and Production Fund Fee;

(viii) Franchisee and its Owners shall have entered into an agreement with the Franchisor agreeing to release any claims, known or unknown, Franchisee may have against the Franchisor and its Affiliates at the time of the Transfer.

(ix) Franchisee and its Owners shall agree not to, and to use their best efforts to cause their current and former shareholders, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor or its current and former agents, principals, officers, directors, shareholders, employees, franchisees, parents, predecessors, affiliates, subsidiaries, and successors and assigns, the System, or any other service-marked or trademarked concept of Franchisor, or which would subject the System or Franchisor to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand; and

(x) The transferee shall upgrade, at the transferee's expense, the Restaurant to conform to the then current specifications and standards and shall complete the upgrading and other requirements within the time specified by Franchisor.

(E) If an individual Franchisee desires to assign all of its rights to a Legal Entity formed for convenience of ownership, then the Franchisor's consent to such assignment shall be conditioned on the following requirements, at the Franchisor's sole discretion:

(i) Franchisee's rights and obligations under this Agreement and the assets and liabilities of the Restaurant may be assigned to a newly organized Legal Entity that conducts no business other than the Restaurant (and other Steak n Shake By Biglari Restaurants under Franchise Agreements with the Franchisor), which is actively managed by Franchisee and in which Franchisee owns and controls at least fifty-one percent (51%) of the equity and voting power of all issued and outstanding capital stock or ownership interest therein; and

(ii) All shareholders or owners of the transferee shall comply with the requirement set forth in subsection (C) of this Section 13.2, if applicable; and

(iii) The transferee shall execute the Franchisor's then current Unit Franchise Agreement and the Licensor's then current License Agreement, and any ancillary agreements related thereto.

The Franchisor's consent to a Transfer of any interest subject to the restrictions of this Section 13.2 shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

Section 13.3 The Franchisor's Right of First Refusal. If Franchisee desires to Transfer (as defined in Section 13.2 herein) the Franchise at any time and Franchisee shall obtain a bona fide, executed written offer from a fully disclosed purchaser, Franchisee shall submit an exact copy of such offer to the Franchisor, which must contain all material terms and provisions of the proposed Transfer, including the total offer price. The Franchisor shall have the option, exercisable by written notice delivered to Franchisee thirty (30) days from the date of delivery of such offer to the Franchisor, to purchase, or cause its Affiliate to purchase, such interest in the Franchise for the price and on the terms and conditions contained in such offer, provided that the Franchisor or its Affiliate may substitute cash for any other form of payment proposed in such offer and shall have not less than thirty (30) days from the date of the exercise of its option to prepare for closing. Any change in the terms of an offer prior to closing shall constitute a new offer that is subject to the same right of first refusal by the Franchisor as in the case of an initial offer. The failure of the Franchisor to exercise the option afforded by this Section 13.3 shall not constitute a waiver of any other provision of this Agreement, including any of the requirements of this Section 13.3 with respect to the proposed Transfer, or of its right of first refusal with respect to any subsequent offer or the Franchisor's right to terminate this Agreement. Nothing contained in this Section 13.3 shall in any way be deemed to impair the Franchisor's discretion in considering, approving or disapproving any request to Transfer any interest pursuant to this Agreement.

Section 13.4 Death or Disability of Individual Franchisee or Managing Owner or Principal Owner.

(A) Franchisee shall at all times throughout the Term of this Agreement have on file with the Franchisor the name, address and telephone number of a designated successor agent, authorized by the Franchisee, subject to and immediately upon the death or disability of the Managing Owner, to bind the Franchisee in any dealings with Franchisor and make all operating decisions with respect to the Restaurant business. The designated successor agent shall be subject to Franchisor's approval. The term "disability" as used in this Section 13.4 means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent the Franchisee from managing the Restaurant business.

(i) If, following the Managing Owner's death or disability, Franchisor determines in its reasonable discretion that the designated successor agent (or if no designated successor agent was appointed), lacks the capacity to operate the Restaurant in accordance with this Agreement, Franchisor shall have an option to operate and/or manage the Restaurant for the account of Franchisee or of Franchisee's estate until the deceased or incapacitated Managing Owner's interest is transferred to another party acceptable to Franchisor in accordance with the terms and conditions of this Article 13. In the event that Franchisor so operates

and/or manages the Restaurant, Franchisor shall make a complete account to and return the net income from such operation to the Franchisee or to Franchisee's estate, less a reasonable management fee and expenses.

(B) In the event of death or disability of Managing Owner or a Principal Owner, or upon the dissolution of a corporate or partnership Franchisee, the appropriate representative of such person or entity (whether administrator, personal representative or trustee) ("Representative") must, within six (6) months following such death or disability or dissolution (as applicable), transfer the interest of the deceased or disabled Managing Owner or Principal Owner or dissolved entity to a third party approved by the Franchisor, subject to Sections 13.2 and 13.3 herein. Failure to transfer such interest within this time period is a breach of this Agreement. If the proposed transferee is the spouse or child of such deceased or disabled Managing Owner or Principal Owner, the other partner in the partnership (as previously approved by Franchisor), or another Principal Owner in a corporate Franchisee (as previously approved by Franchisor) (collectively, "Related Transferee"), Franchisor will not have a right of first refusal as set forth in Section 13.3 above as to the sale to the Related Transferee; provided, however, such Related Transferee must otherwise meet the criteria and satisfy all conditions set forth in Section 13.2 above, as determined by Franchisor.

(C) If the Franchisor determines that the Related Transferee does not meet the conditions set forth in Section 13.2 herein, the Representative shall use its best efforts within the six (6) months from the date of written notice from the Franchisor to sell the subject interest hereunder to a bona fide purchaser in accordance with and subject to all of the provisions of Section 13.2 (and subject to Franchisor's Right of First Refusal as set forth in Section 13.3 herein). If by the end of such six month period, the Representative has not effectuated a transfer of such interest in a transaction which meets the requirements of this Section 13.2, the Franchisor shall have the option to purchase the subject interest in the Restaurant and Franchise at the fair market value thereof as determined in good faith through negotiation or, failing that, upon written demand of either party, by three appraisers, with the Franchisor and Representative each selecting one appraiser and the two appraisers so chosen selecting the third appraiser, with their cost to be shared equally between the Representative and the Franchisor.

Section 13.5 Enforceability of Restrictions on Transfer. Franchisee agrees that the restrictions on Transfer imposed in this Article 13 are reasonable and necessary to protect the Franchisor's Marks and Confidential Information, System and operating procedures and quality, as well as the Franchisor's high reputation and image and are for the protection of the Franchisor, Franchisee and other Steak n Shake By Biglari franchisees. Any Transfer permitted by this Article 13 shall not take effect until the Franchisor issues its written consent thereto, following its receipt and review of a completely executed copy of all Transfer documents.

Article 14 Notice Provisions.

Section 14.1 Notices. All notices pursuant to this Agreement must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in

conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise 19100 Ridgewood Parkway, Suite 1200San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Franchisee: Managing Owner's mailing address and/or email address set forth in **Appendix A** hereto.

Section 14.2 Managing Owner of Franchisee. Franchisee hereby designates the individual listed on Appendix A attached hereto as the Managing Owner to act on its behalf and to execute all documents on its behalf in all transactions with the Franchisor. The Managing Owner must be an individual, not a business entity. All actions by the Managing Owner shall be binding upon Franchisee. The Franchisor shall have no duty to deal with anyone other than the Managing Owner; however, any documents submitted to the Franchisor executed by any other officer or Owner of Franchisee shall be valid and binding upon Franchisee. Any change in the Managing Owner is subject to Article 13 herein.

Section 14.3 Email Communications. Franchisee, its Managing Owner, general manager and managers must utilize a Steak n Shake email address provided by Franchisor for purposes of communicating with Franchisor and its employees and such individuals shall be obligated to check and respond to email on a daily basis (except for weekends); provided, however, that the timeliness of Franchisee's e-mail review and responses must be consistent with reasonable business practices and must not cause Franchisor or its employees to be unable to communicate with Franchisee in a timely manner.

Article 15 Dispute Resolution

Section 15.1 Legal Remedies. Nothing herein contained shall bar the Franchisor's or Franchisee's right to seek specific performance of this Agreement and injunctive relief against threatened conduct that will cause it loss or damages, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any injunction being expressly waived).

Section 15.2 Non-Binding Mediation. The Franchisor reserves the right to institute at any time a system of nonbinding mediation. Any mediation under this Agreement shall be held in a forum

in the City of Indianapolis, State of Indiana. The Franchisee will be obligated to participate in such mediation, at the Franchisor's request, in the event of a dispute.

Section 15.3 Consent to Jurisdiction and Venue.

ANY AND ALL ACTIONS AND OTHER LEGAL PROCEEDINGS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE PARTIES' RELATIONSHIP SHALL BE FILED AND MAINTAINED ONLY IN A STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF INDIANA, AND THE PARTIES HEREBY CONSENT, AND WAIVE ANY OBJECTIONS THEY MIGHT HAVE, TO THE JURISDICTION OF AND VENUE IN SUCH COURTS FOR THE PURPOSE OF RESOLUTION OF ANY SUCH DISPUTES. Franchisee and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in this Agreement provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the above, Franchisee agrees that Franchisor may enforce this Agreement in the courts of the state in which Franchisee's Restaurant is located. Franchisee agrees that any proceeding will be conducted on an individual, not a class-wide, basis, and that a proceeding between the Franchisor and Franchisee may not be consolidated with another proceeding between Franchisor and any other person or entity, nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between Franchisor and Franchisee.

Section 15.4 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between Franchisee and the Franchisor will be governed by the laws of the State of Indiana, without regard to its conflict of laws rules, except that any Indiana law regulating the offer and sale of franchises or governing the relationship between a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section 15.4. Franchisee and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in the sections above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit.

Section 15.5 Agreement Location. Franchisee and Franchisor acknowledge that the execution of this Agreement by Franchisor occurred in Indianapolis, Indiana and further acknowledge that the performance of certain obligations of Franchisee arising under this Agreement, including but not limited to the payment of monies due hereunder and the satisfaction of certain training requirements of the Franchisor, shall occur in Indianapolis, Indiana.

Section 15.6 Costs and Attorneys' Fees. If the Franchisor or its affiliates assert a claim for amounts owed by Franchisee in any legal proceeding before a court of competent jurisdiction, or in mediation, or if the Franchisor or Franchisee is required to enforce this Agreement in a judicial or mediation proceeding, the party prevailing in such proceeding shall be entitled to reimbursement of its costs and expenses, including reasonable accountants', attorneys' (including in-house counsel), attorneys' assistants' and expert witness fees, the cost of

investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

Section 15.7 Rights of Parties are Cumulative. Franchisor's and Franchisee's rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement which it is entitled by law or this Agreement to exercise or enforce.

Section 15.8 Waiver of Punitive Damages and Jury Trial. To the fullest extent permitted by law, the parties waive any right to, or claim for, any punitive or exemplary damages against the other party. The parties also agree that, in the event of a dispute between them, the party making a claim will be limited to recovery of actual damages, if any. In addition, the parties irrevocably waive trial by jury in any action, proceeding, and/or counterclaim brought by either party.

Section 15.9 Limitation of Claims. Except for Franchisee's indemnification obligations under this Agreement and except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owes the Franchisor, any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisor and Franchisee, or Franchisee's operation of the business contemplated under this Agreement, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

Section 15.10 Extraordinary Relief. Franchisor shall be entitled to seek and obtain temporary, interim, injunctive or similar extraordinary relief in any court of competent jurisdiction if the claim relates to ongoing or threatened conduct that will cause Franchisor loss or damages in accordance with the applicable rules governing the grant of such extraordinary relief. Furthermore, notwithstanding anything to the contrary in this Article 15, Franchisor and its Affiliates have the right to commence a civil action in any court of competent jurisdiction against Franchisee or take other appropriate action for the following reasons: (i) to collect sums of money due to Franchisor or (ii) for infringement of the Marks or other violation of Franchisor's intellectual property rights. Franchisee's sole remedy in the event of the entry of such extraordinary relief will be the dissolution of the temporary or injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of such relief being expressly waived).

Article 16 General Provisions

Section 16.1 Severability. Except as expressly provided, each section, part, term or provision of this Agreement shall be considered severable. If, for any reason, any section, part, term or provision herein is determined to be invalid or unenforceable, such determination shall not impair the operation or affect such other portions, sections, parts, terms or provisions of this

Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto.

Section 16.2 Franchisee Independent Contractor /Disclosure Thereof.

(A) It is understood and agreed by the parties hereto that Franchisee shall be an independent contractor and that nothing herein contained shall constitute Franchisee as the agent, legal representative, partner, joint venture or employee of the Franchisor. Franchisee shall not have any right or power to and shall not bind or obligate the Franchisor in any way or manner whatsoever, nor represent that it has the right to do so. Franchisee shall have sole responsibility for, and shall promptly pay when due, all taxes levied or assessed by reason of its operation and performance under this Agreement, including, but not limited to, local, state and federal, property, license, sales, use, leasehold, excise and income taxes. Franchisee shall have the right to contest in good faith the amount or validity of such payment by appropriate legal proceedings. Franchisee shall be responsible for all loss or damage and contractual liabilities to third persons originating from or in connection with the operation of the Restaurant and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom. Franchisee further agrees to indemnify and hold the Franchisor harmless from or with respect to any such claims for taxes and other liabilities, loss, expense or damage.

(B) The Franchisor may require Franchisee to identify itself as an independent operator and franchisee of the Franchisor in a manner prescribed by the Franchisor. Franchisee must clearly indicate on its business stationary that Franchisee is the owner of the Restaurant and that Franchisee is a Steak n Shake By Biglari franchisee. Franchisee must display a sign which is clearly visible to the general public indicating that the Restaurant is independently owned and operated.

Section 16.3 Section and Subsection Titles. Section and Subsection titles are used for convenience only and shall not affect the meaning or construction of any provision hereof.

Section 16.4 Franchisor's Application of Its Rights. Franchisor shall have the right to operate, develop, and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and/or in the best interests of the System, at the time its decision is made, without regard to whether other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; the decision or action of Franchisor will promote its financial or other individual interest; Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned operations; or Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make

decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

Section 16.5 Construction. All the terms and words used in this Agreement, regardless of the number and gender in which they are used shall be deemed and construed to include any other number (singular or plural), and any other or gender (masculine, feminine or neuter), as the context or sense of this Agreement or any requires. The words "will," "shall," and "must" in this Agreement indicate a mandatory obligation. The use of the words "include," "includes," and "including" followed by one or more examples is intended to be illustrative and is not a limitation on the scope of the description or term for which the examples are provided. The words "day" and "days" refer to calendar days unless otherwise stated. The words "hereof", "hereto" and "herein" refer to this Agreement and are not limited to the article, section, paragraph or clause, except where the context so indicates, the same as if such words had been fully and properly written in the appropriate number and gender in which such words are used.

Section 16.6 Obligations of Interested Parties. Except as otherwise provided herein, all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be jointly and severally undertaken by Franchisee and all persons signing this Agreement in their individual capacities and by all guarantors.

Section 16.7 Written Approval, Waiver and Non-Waiver.

(A) Whenever this Agreement requires the prior approval or consent of the Franchisor, Franchisee shall make a timely written request therefor, and such approval shall be obtained in writing from the Franchisor's Chairman and CEO or other officer that the Franchisor may designate from time to time. By providing any waiver, approval, consent or suggestion to Franchisee in connection with this Franchise, the Franchisor makes no warranties or guarantees and assumes no liability or obligation to Franchisee.

(B) No failure of either party to exercise any power reserved to it by this Agreement or to insist upon strict compliance by the other party with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with any of the terms herein. Waiver by either party of any particular default by the other party shall not affect or impair the non-defaulting party's rights with respect to any subsequent default of the same, similar or different nature. Any delay, forbearance or omission of either party to exercise any power or right arising out of any breach or default by, the other party of any of the terms, provisions or covenants hereof, shall not affect or impair the non-breaching or non-defaulting party's right to exercise such power or right, nor shall such delay, forbearance or omission constitute a waiver by the non-breaching or non-defaulting party of any right hereunder, or the right to declare any subsequent breach a default and to terminate this Agreement prior to the expiration of its Term. Subsequent acceptance by the Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by the Franchisor of any preceding breach by Franchisee of this Agreement and subsequent acceptance by Franchisee of any services or benefits provided under this Agreement shall not be deemed to be a waiver by Franchisee of any preceding breach by the Franchisor of this Agreement.

(C) Each right or remedy conferred upon or reserved to the Franchisor or Franchisee by this Agreement shall be cumulative of every other right or remedy herein or by law or equity and is not exclusive of any other right or remedy.

(D) No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed by the parties and executed in writing.

Section 16.8 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together constitute one and the same instrument.

Section 16.9 Entire Agreement. Franchisee agrees that Franchisor's System standards prescribed in the Manual, or otherwise communicated to Franchisee in writing or another form, are part of this Agreement as if fully set forth within its text. The Recitals, Appendices, Riders, and State-Specific Addendum (if applicable) are a part of this Agreement, which, together with the System standards contained in the Manual (which may be periodically modified) and the License Agreement constitute the entire agreement of the parties with reference to the subject matter of this Agreement and which supersede all prior or contemporaneous negotiations, commitments, representations and undertakings of the parties; provided, however, that nothing in this or any related agreement is intended to disclaim the representations the Franchisor made in the franchise disclosure document that the Franchisor furnished to the Franchisee. Franchisee acknowledges that Franchisee is entering into this Agreement and all ancillary documents executed contemporaneously with this Agreement, as a result of Franchisee's own independent investigation of the Restaurant, and not as a result of any written, verbal, express or implied representations, assurances, inducements, or promises made by the Franchisor's officers, directors, employees, agents, representatives, shareholders, independent contractors or franchisees which are contrary to this Agreement or any disclosure document provided to the Franchisee.

Article 17 Acknowledgments

Section 17.1 Receipt of Disclosure. Franchisee acknowledges that Franchisee has received a copy of Franchisor's franchise disclosure document and has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by counsel of Franchisee's own choosing at least fourteen (14) calendar days prior to execution of this Agreement and/or payment of any consideration to Franchisor and Franchisee is entering into this Agreement after having made an independent investigation and not upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize.

Section 17.2 Acknowledgment of Differing Terms. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee acknowledges and agrees that Franchisor reserves the right to vary the System and other standards, specifications, and operating procedures (including standards and specifications related to building, furniture, fixtures, equipment, and signage) to address different circumstances or for other reasons deemed sufficient by Franchisor, in its sole discretion.

Section 17.3 Acknowledgment of No Promises or Warranties. Franchisee acknowledges that the Franchisor is not a guarantor, directly or indirectly, of the success or profitability of any Restaurant or the Franchise granted hereunder. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any

third party to which Franchisor would not otherwise be subject, by providing any waiver, approval, advice, consent, or suggestions to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

Section 17.4 Release of Prior Claims. If Franchisee is executing this Agreement for an existing Steak n Shake By Biglari Restaurant which is operated pursuant to a franchise agreement which is or will soon expire ("Prior Agreement"), by executing this Agreement, Franchisee, individually and on behalf of its heirs, legal representatives, successors and assigns, forever releases and discharges Franchisor, and its officers, directors, employees, agents and servants, including its subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under the Prior Agreement as to the Authorized Location only, including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

REMAINDER OF PAGE INTENTIONALLY BLANK

UNIT FRANCHISE AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

"Franchisee"
Click here to enter text.,
a Click here to enter text.

By: _____
Printed Name: Click here to enter text.
Title: Click here to enter text.
Date of Signature: _____

"Franchisor"
STEAK N SHAKE ENTERPRISES, INC.,
an Indiana corporation

By: _____
Printed: _____
Title: _____
Date of Signature: _____

APPENDIX A TO FRANCHISE AGREEMENT
FRANCHISEE INFORMATION

1. **Authorized Location.** The franchised Steak n Shake By Biglari Restaurant will be located at **(check (a) or (b)):**

☐ **a. Click here to enter text.** [Street address or intersection, city, and state if exact location is known] ("Authorized Location").

☐ **b.** Within the general area described as follows: [indicate city/county or area described by latitude and longitude]

Click here to enter text.

☐ See map attached hereto as Appendix A-1

If only a general area is defined in subsection (b) above, Franchisee shall identify the exact location of the Restaurant pursuant to the terms of the Agreement, and Franchisor's issuance of a Letter of Acceptance for such location shall serve as an amendment to this Appendix A to reflect the exact location of the restaurant as the "Authorized Location" and Franchisee's Protected Area shall be such area as defined in this Appendix A for such Authorized Location.

2. Franchisee's Protected Area shall be comprised of the following area:

☐ An area within a **_____ ( )** mile radius of the Authorized Location described above;

☐ The area more particularly described as follows: [Description of Protected Area by latitude and longitude]

Click here to enter text., as depicted on Appendix A-1 attached hereto

☐ Not Applicable – Franchisee is not entitled to any Protected Area.

The Protected Area (if applicable) shall be subject to Franchisor's and/or its affiliates right to operate or franchise to other parties the right to operate Steak n Shake By Biglari Restaurants at Captive Facilities located within the Protected Area. **If the Restaurant is located in a Captive Facility, then the Protected Area will be limited to the confines of that Captive Facilities Location.**

3. **Deadline For Restaurant Opening:** If different than the deadline set forth in Section 3.2 (F) or if Restaurant required opening date is controlled by Area Development Agreement, indicate date required by the Area Development Agreement. If no changes to Restaurant Opening Deadline as set forth in Section 3.2(F), indicate "Not Applicable"**:**

Click here to enter text.

☐ Not Applicable

4. **Restaurant Concept Type:**

☐ **Quick-Service Restaurant**

5. **Franchise Fee:** The initial franchise fee pursuant to Section 6.1 of this Agreement is determined and payable as follows *(check the appropriate lines)*:

☐ If Franchisee does not have a current Area Development Agreement with Franchisor:

☐ $25,000 due upon execution of this Agreement if Franchisee will operate a Quick-Service Restaurant;

☐ Franchisee is developing the Restaurant pursuant to a current Area Development Agreement ("ADA"):

☐ $25,000, paid upon execution of this Agreement if Franchisee has not previously executed a Franchise Agreement for a Quick-Service Restaurant pursuant to the ADA;

☐ $20,000, paid upon execution of this Agreement, if Franchisee has previously executed one or more Franchise Agreement(s) for Quick-Service Restaurant(s) pursuant to the ADA;

Franchisee shall be entitled to a credit of $ **Click here to enter text.** towards the Franchise Fee, which represents a portion of the ADA Deposit received by Franchisor from Franchisee pursuant to the Area Development Agreement leaving a balance of $ **Click here to enter text.** due upon execution of this Agreement.

☐ Franchisee is already operating from the Authorized Location and is executing this Agreement as a renewal to replace an expiring Franchise Agreement.
$**Click here to enter text.**

6. **Franchisee's Weekly Digital Production Fund Fee:** One percent (1%) of Gross Receipts.

7. **Ownership of Franchisee –check and complete as appropriate:**
Franchisee represents and warrants to Franchisor that the following Person(s) and only the following Person(s) hold a direct or indirect ownership interest in Franchisee. "Person" is defined as an individual natural person or a corporation, limited liability company, partnership (whether general, limited or limited liability), trust, unincorporated organization, joint stock company, joint venture, association or other entity.

☐ Franchisee is wholly owned by one individual: **Click here to enter text.**
The owner's state of residence is **Click here to enter text.**
OR

☐ If the Franchisee is a legal entity, the state of incorporation/organization **Click here to enter text.**, the name, address, and office held by each member/owner/shareholder, and the percentage of ownership for each owner (must total 100% for all Owners listed), is as follows:

Full Name	Address, City, State	Email Address	Percentage of Ownership	Office Held
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

For any corporation, limited liability company, partnership (whether general, limited or limited liability), trust, unincorporated organization, joint stock company, joint venture, association or other entity listed as an Owner above, Franchisee represents and warrants to Franchisor that the following Persons and only the following Persons hold a direct or indirect ownership interest in such legal entity:

☐ Check if not applicable

Full Name	Address, City, State	Email Address	Percentage of Ownership	Office Held
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

8. **Name of Managing Owner: Click here to enter text**.

Managing Owner's address for receiving notices:

Click here to enter text.
[street, city, state, zip (P.O. Boxes not acceptable)]

Telephone Number: **Click here to enter text.**
Fax Number: **Click here to enter text.**
Mobile Number: **Click here to enter text.**
Email Address: **Click here to enter text.**

9. **Franchisee represents and warrants that the Authorized Location of the Steak n Shake By Biglari Restaurant will be (check as applicable):**

☐ **Owned by Franchisee or an entity controlled by Franchisee**

Will the Franchisee named herein be the fee simple owner of record?
☐ Yes
☐ No – If no, please list the fee simple owner(s) of record, and explain their relationship to Franchisee: **Click here to enter text.**

☐ **Leased by Franchisee from Click here to enter text. ("Landlord")**

Is the Landlord with whom you negotiated the Lease an unrelated a third party with whom you negotiated in an arms length transaction?

☐ Yes
☐ No – If no, please explain the landlord's relationship to Franchisee: **Click here to enter text.**

Other than payment of Rent, including Percentage Rent and common area maintenance charges, will the Landlord receive any profits from the Steak n Shake Restaurant?

☐ No
☐ Yes – If yes, please explain the basis for such payment: **Click here to enter text.**

Other than the Owners listed in item 7 above, is anyone guaranteeing your obligations under any loan related to the purchase of the property and/or development of the

Restaurant or lease (if applicable)?

☐ No

☐ Yes – If yes, please explain the basis for such guaranty and any consideration to be paid or given to the guarantor: **Click here to enter text.**

10. **Additional Terms:**

Click here to enter text.

☐ Not Applicable

11. **Conflicting Terms**. Franchisor and Franchisee agree that in the event of a conflict between the terms of the Franchise Agreement and this Appendix A, the terms of this Appendix A shall control.

IN WITNESS WHEREOF the parties hereto have executed this Appendix A as of the Effective Date set forth in the Franchise Agreement.

"Franchisee"	**"Franchisor"**
Click here to enter text.,	**STEAK N SHAKE ENTERPRISES, INC.,**
a Click here to enter text.	an Indiana Corporation
By: _____	By:_____
Printed Name: Click here to enter text.	Printed: _____
Title: Click here to enter text.	Title: _____

APPENDIX B-1 TO FRANCHISE AGREEMENT
PERSONAL GUARANTY AND PERSONAL COVENANTS BY PRINCIPAL OWNER

This Personal Guaranty and Personal Covenants (this "Guaranty and Covenant") by Principal Owner is made by the undersigned (each individually, a "Principal Owner", and collectively "Principal Owners") as of the date set forth next each Principal Owner's signature below in conjunction with each Principal Owner's ownership interest in the franchisee identified on the last page of this Guaranty and Covenant ("Franchisee") for the benefit of Steak N Shake Enterprises, Inc., an Indiana corporation, Steak n Shake Inc., an Indiana corporation and Steak N Shake, LLC, an Indiana limited liability company (collectively "SNS"). Any capitalized terms used in this Guaranty and Covenant and not otherwise defined herein shall have the meaning given them in the Unit Franchise Agreement (defined below).

A. WHEREAS, in consideration of, and as an inducement to, the execution of that certain Unit Franchise Agreement between Steak n Shake Enterprises, Inc. and Franchisee for a Steak n Shake By Biglari Restaurant to be developed and operated at the location identified on the last page of this Guaranty and Covenant (the "Franchise Agreement") and the License Agreement between STEAK N SHAKE, LLC, an Indiana limited liability company and Franchisee (the "License Agreement"), collectively referred to as the "Agreements", each undersigned Principal Owner, as an owner of a legal or beneficial interest in Franchisee of ten percent (10%) or more, hereby personally and unconditionally agrees to personally guarantee the obligations of the Franchisee under the Agreements and comply with certain non-compete covenants contained in the Franchise Agreement.

B. WHEREAS, in consideration of certain training required of Principal Owners (as applicable) to be provided by SNS, which training is required by the Franchise Agreement, each Principal Owner agrees to the waiver and indemnity provisions as more specifically set forth herein.

C. WHEREAS, the success of the Steak n Shake By Biglari brand depends on maintaining the goodwill associated with its trademarks and protecting the confidential and proprietary business information related to the operation of all Steak n Shake By Biglari Restaurants. Additionally, the SNS is owned by a publicly traded company and subject to securities laws which limit the disclosure of certain business and financial information, which, if released, may subject SNS and its affiliates to securities law violations.

D. WHEREAS, Principal Owner may gain access to parts of SNS's Confidential Information (as defined in Section 1 herein) as a result of its ownership in Franchisee (the "Business Purpose").

E. WHEREAS, Principal Owner acknowledges and agrees that that it has received good and valuable consideration for executing this Guaranty and Covenant and SNS may enforce this Guaranty and Covenant directly against each individual Principal Owner.

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Principal Owners acknowledge are sufficient to create a legally binding agreement, each Principal Owner agree(s) to the following terms and conditions:

1. **Restrictions on Confidential Information.**

   a. "**Confidential Information**" means any and all information relating to SNS and/or the Steak n Shake By Biglari System (as defined in the Franchise Agreement) that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual, and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in the design and operation of a Steak n Shake By Biglari Restaurant and the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems, experience, and business intelligence with respect to the consumer, business, or financial success, attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by SNS); (vi) Financial Information; and (vii) supplier relationship and distribution system information. If SNS posts some or all of the Manual and any changes on a restricted Website or extranet to which Principal Owner will have access, any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information.

      i. **Exclusions**. Notwithstanding the foregoing, Confidential Information does not include information, concepts, methods, procedures or techniques that are, or become, generally known in the food service industry in the United States through no breach of this Agreement by Franchisee or its Authorized Recipients (as defined herein).

   b. "**Financial Information**" means guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants whether those Restaurants are operated by SNS, Franchisee or any Steak n Shake By Biglari franchisee ("Financial Information").

   c. **Manner of Disclosure.** SNS may disclose Confidential Information to Principal Owner by furnishing layouts, specifications and guidance in the development and operation of the Restaurant, the training program, the Manual and other instructional manuals, sale promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to Principal Owner during the Term of the Franchise or Principal Owner may acquire the Confidential Information from the Franchisee or from other franchisees. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to Principal Owner under a confidentiality notice is expressly conditioned upon Principal Owner's consent to these restrictions.

d. **Principal Owner's Obligations.** Principal Owner agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to utilize it in the development and operation of the Restaurant during the Term of the Franchise, and that the use or duplication of the Confidential Information in any other restaurant business would constitute an unfair method of competition. Principal Owner acknowledges and agrees that the Confidential Information is proprietary to SNS and is a trade secret of SNS and is disclosed to Principal Owner solely for use by Principal Owner in the development and operation of the Restaurant during the Term of the Franchise and on the condition that Principal Owner:

   i. will not use the Confidential Information in any other business or capacity;

   ii. will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the Term of the Franchise;

   iii. will not under any circumstance disclose any Confidential Information to any media outlet or post such Confidential Information on any websites, social media, or in other formats available to the public;

   iv. will not make unauthorized copies of any portion of the Confidential Information disclosed;

   v. will adopt and implement all reasonable procedures prescribed from time to time by SNS to prevent unauthorized use or disclosure of the Confidential Information, including without limitation: (a) restricting access to and disclosure of Confidential Information to only those Owners and employees of Principal Owner whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; attorneys, accountants, lenders, and insurers of the Franchisee or Principal Owner on a need to know basis; and with respect to Financial Information, Franchisee's landlords and/or prospective purchasers (provided they agree in writing to the confidentiality provisions set forth herein for the benefit of Franchisee and Franchisor) (collectively, the foregoing are referred to as "Authorized Recipients"); (b) restricting access to Confidential Information to prevent the theft, unauthorized duplication and discovery of such Confidential Information.

e. **Confidentiality Regarding Potential Sites**. Principal Owner shall not issue any press releases or make any statements to the general public disclosing any sites which Franchisee may be considering for a Restaurant, except as required to obtain government permits and third party approvals, in connection with financing for the Restaurant or with the prior written approval of an officer of SNS. Principal Owner shall not

be deemed in default of this restriction arising from any unauthorized public disclosure of potential sites by any broker.

f. **Permissible Disclosures**.

i. Notwithstanding the foregoing, Principal Owner or an Authorized Recipient may disclose Confidential Information if and to the extent that such disclosure is required by applicable law or valid subpoena ("Required Disclosures"), provided that the Principal Owner or Authorized Recipient first provide SNS a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by SNS, Principal Owner or Authorized Recipient shall join SNS in any request to limit the disclosure by means of a protective order or a request for confidential treatment; and

ii. Notwithstanding anything to the contrary contained herein, Franchisee may submit Financial Information in connection with applicable tax filings required by law.

iii. The restrictions set forth in this Section 1 with respect to Confidential Information shall not interfere with Principal Owner's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

2. **Restrictions on Public Statements**.

a. **Principal Owner's Obligations.** Principal Owner shall not, without the SNS's express written consent in all instances which may be withheld by SNS in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

i. makes any statement which disparages, ridicules or is derogatory of the System, the Steak n Shake By Biglari brand or Marks, SNS or its Affiliates, the owners, officers, employees, agents, consultants, attorneys or representatives of SNS, or any Steak n Shake By Biglari franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any Steak n Shake By Biglari franchisee;

ii. pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or

iii. pertains to any litigation pending or threatened against Franchisee, a Steak n Shake By Biglari franchisee, SNS or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

iv. Subsections (i) through (iii) immediately above are collectively

referred to as "Public Statements".

b. **Limited Exceptions.** Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena ("Required Statements") shall be permitted if the Principal Owner or Franchisee (as applicable) first provides SNS with a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by SNS, Principal Owner or Franchisee shall join SNS in any request to limit the disclosure by means of a protective order or a request for confidential treatment.

c. The restrictions set forth in this Section 2 with respect to Public Statements shall not interfere with Principal Owner's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

3. **In Term Restrictions on Competing Business Interests**. For such time as Principal Owner directly or indirectly owns an interest in Franchisee, Principal Owner agrees that he or she will not, without SNS's written consent (which consent may be withheld at SNS's discretion) own, directly or indirectly, any interest in any Competing Business or be employed either as an employee, officer, agent or consultant in any Competing Business. As used in this Covenant and Guaranty, "Competing Business" means any restaurant business that either (i) derives twenty-five (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold); provided, however, this restriction shall not apply to other Steak n Shake By Biglari Restaurants operated under Franchise Agreements previously or hereafter entered into with SNS as long as such agreements remain in full force and effect or ownership of securities that are publicly traded, representing five percent (5%) or less of the equity or voting power of any such publicly traded business.

4. **Post Term Restrictions on Competing Business Interests.** For a period of two (2) years starting on the earlier to occur of the date a Principal Owner ceases to own ten percent (10%) or more in Franchisee, the expiration date, non-renewal date, or termination date of the Franchise Agreement, each Principal Owner agrees that he or she will not, without SNS's written consent (which consent may be withheld at SNS's discretion) have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competing Business located at or within five (5) miles of the Authorized Location pursuant to the Franchise Agreement or any then-existing Steak n Shake By Biglari Restaurant. If Principal Owner violates the post-Term covenant set forth in this Section 4, Principal Owner acknowledges and agrees that the post-Term covenant period of two (2) years shall be extended to commence on the date Principal Owner first complies with such covenant so as to provide SNS with the full benefit of the post-Term covenant period uninterrupted by Principal Owner's interference.

5. **Intentionally Omitted.**

6. **Enforceability.** Each Principal Owner expressly acknowledges the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 3, 4, and 5 herein will not deprive any of them of their personal goodwill or ability to earn a living. If any of the covenants set forth in Sections 3, 4, and 5 herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, each Principal Owner agrees that it will be enforced to the fullest extent permissible under applicable law and public policy.

7. **Guaranty.** Each Principal Owner hereby unconditionally guarantees the prompt payment when due, or whenever payment may become due under the terms of the Agreements, of all payments of Royalty and System Fees, License Fees, Digital and Production Fund Fees, and all other charges, expenses and costs of every kind and nature, which are or may be due now or in the future under the terms of the Agreements, any agreements or documents related to the Agreements, or any other transaction between SNS and Franchisee related to the Agreements, and the complete and timely performance, satisfaction and observance of the terms, covenants and conditions of the Agreements, and related obligations arising by reason of the Agreements, required to be performed, satisfied or observed by Franchisee for the term set forth below.

8. **Coverage.** This Guaranty and Covenant extend to any and all liability which Franchisee has or may have to SNS by reason of matters occurring during the Term of the Agreements, including any extensions or renewals thereof, and after the expiration of the Term of the Agreements. If any Principal Owner ceases to have an ownership interest in the Franchisee prior to expiration or termination of the Agreements, that Principal Owner agrees that his or her obligations under this Guaranty and Covenant shall continue to remain in force and effect unless SNS in its sole discretion, in writing, releases such Prinicipal Owner from this Guaranty and Covenant.

    a. **Performance Guaranty**. In the event that Franchisee fails to perform, satisfy or observe the terms and conditions of the Agreements, and related obligations required to be performed, satisfied or observed by Franchisee, each Principal Owner shall promptly and fully perform, satisfy and observe the obligation or obligations in the place of Franchisee. Each Principal Owner shall pay, reimburse and indemnify SNS for any and all damages, costs, expenses, losses and other liabilities, including reasonable attorneys' fees, court fees and expenses, arising or resulting from the failure of Franchisee to perform, satisfy or observe any of the terms and conditions of the Agreements, and related obligations.

    b. **Waiver of Notices**. Without notice to or further assent from a Principal Owner, SNS may waive or modify any of the terms or conditions of the Agreements or related obligations of Franchisee; or compromise, settle or extend the time of payment of any amount due from Franchisee or the time of performance of any obligation of Franchisee. These actions may

be taken by SNS without discharging or otherwise affecting the obligations of the Principal Owner.

c. **Unconditional Obligations**. The liability of each Principal Owner is direct, immediate, absolute, continuing, unconditional and unlimited. SNS shall not be required to pursue any remedies it may have against Franchisee, other Principal Owners or against any collateral as a condition to enforcement of this Guaranty and Covenant, nor shall any Principal Owner be discharged or released by reason of the discharge or release of Franchisee for any reason, including a discharge in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Agreements by a trustee, custodian, or other representative in bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitation of the liability of Franchisee or any remedy of SNS. Each Principal Owner assumes all responsibility for keeping itself informed of Franchisee's financial condition and assets, and of all other circumstances bearing upon the risk of nonperformance by Franchisee under the Agreements. Each Principal Owner agrees that SNS shall have no duty to advise a Principal Owner of information known to it regarding such circumstances or risks. Each Principal Owner agrees that monies received from any source by SNS for application toward payment of the obligations under the Agreements and under this Guaranty and Covenant may be applied in any manner or order deemed appropriate by SNS.

9. **Training Waiver and Release**. As a condition to each Principal Owner attending the Steak n Shake By Biglari Management Development Training Program, owner familiarization training, orientation or other training required pursuant to the Franchise Agreement (collectively, the "Training"), to the extent applicable, which Training may take place at a certified training restaurant operated by SNS, its affiliates, or an independently owned and operated Steak n Shake By Biglari Restaurant ("Host Franchisee"), Principal Owner agrees to the following:

   a. For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Principal Owner does hereby waive, release, remise and forever discharge SNS, Host Franchisee, and their predecessors, successors and assigns, parent, subsidiaries and affiliated entities, and their respective managers, members, officers, directors, agents, employees and representatives (collectively, the "Releasees"), of and from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, covenants, contracts, agreements, promises, damages, judgments, extents, executions, liabilities and obligations, both contingent and fixed, known and unknown, of every kind and nature whatsoever in law or equity, or otherwise, under local, state, or federal law, against the Releasees arising from or in connection with the Training, excluding the gross negligence or willful misconduct of Releasees.

b. Principal Owner acknowledges that he/she has been advised by SNS that daily training activities may be demanding and require good physical health; and that in the ordinary course of training the Principal Owner may be exposed to strenuous physical activity, including without limitation, heavy lifting, rotating schedules, overtime hours, exposure to and inhalation of chemicals, and walking on wet or slippery floors. Principal Owner acknowledges that he/she has been informed that the strenuous and physically demanding nature of some portions of the training impose a risk of extreme and excessive physical demands on trainees who are not in good physical health and/or who suffer from any special medical conditions, including without limitation, pregnancy, persons with a history of back problems, leg problems, heart or other circulatory conditions or pulmonary (lung) problems. Due to the arduous and physically demanding nature of the training, Principal Owner has been advised to consult with his/her physicians before engaging in the training program, and to wear skid resistant shoes while Training in the Restaurant.

c. Principal Owner acknowledges that he/she has disclosed to SNS 's Training Staff if he/she is experiencing any health problems of a permanent or temporary nature which may affect participation in the training program, and, if temporary, has been offered the option of attending training on alternative dates.

d. Principal Owner acknowledges the possibility that the Principal Owner may not fully know the number or magnitude of all the released claims, but nevertheless intends to assume the risk of attending and/or participating in the training program and is releasing those unknown claims. The Principal Owner acknowledges that the Principal Owner's attendance at SNS's Training is contingent upon the Principal Owner's execution of this Guaranty and Covenant.

e. Principal Owner further agrees for him/herself and for his/her successors and assigns, to indemnify and hold harmless forever, the Releasees, against any and all claims or actions which hereafter may be brought or instituted against Releasees, by or on behalf of anyone claiming under rights derived from the Principal Owner and arising from or in connection with the Training.

f. Principal Owner will indemnify, protect, defend and hold harmless SNS (and its parents, affiliates and subsidiaries) and the Host Franchisees whose locations are being used in Principal Owner's training (if applicable) from and against any and all liabilities, claims, demands, losses, damages, suits, costs, attorney's fees, settlement costs and judgments which result from the negligent acts or willful misconduct of Principal Owner, including without limitation misuse or misappropriation of SNS's or Host Franchisee's assets and improper conduct with respect to employees or representatives of SNS or the Host Franchisee.

g. Principal Owner agrees that if he/she is injured while attending training and/or mentoring program in a Host Franchisee's location, then he/she will not make claim against SNS (and its parents, affiliates and subsidiaries) or the Host Franchisee or the insurance policies of SNS and/or Host Franchisee; provided, however, this shall exclude any claims by Principal Owner arising solely from SNS's or Host Franchisee's gross negligence or willful misconduct.

h. In addition to the restrictions on Confidential Information set forth in Section 1 herein, the Principal Owner also agrees that he/she will not (i) photograph any area of the SNS or Host Franchisee Restaurant; or (ii) divulge any Financial Information that relates to a SNS or Host Franchisees' businesses, which he/she may obtain while in training/mentoring at a SNS or Host Franchisees' restaurant.

10. **Miscellaneous.**

a. **Term.** This Guaranty and Covenant shall terminate upon the termination or expiration of the Agreements, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreements shall remain in force according to their terms. Upon the death of a Principal Owner, the estate of such deceased Principal Owner shall be bound by this Guaranty and Covenant as to any defaults and obligations hereunder existing at the time of such deceased Principal Owner's death.

b. **Individual Covenants**. Each Principal Owner hereby jointly and severally acknowledges and expressly agrees to be individually bound by all of the covenants contained in Articles 12 and 13 of the Franchise Agreement pertaining to the Restrictive Covenants and Restrictions on Assignment, and Section 10.5 pertaining to non-disclosure of Confidential Information, and each Principal Owner agrees that he or she shall be personally liable to SNS for any breach of the foregoing provisions.

c. **Joint and Several Liability.** Each Principal Owner consents and agrees that his or her direct and immediate liability under this Guaranty and Covenant shall be joint and several.

d. **Waiver of Certain Defenses and Waiver of Trial by Jury**. Each Principal Owner waives (i) any law or statute that requires SNS to make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against Principal Owner with respect to this Guaranty and Covenant; (ii) and any and all other notices and legal or equitable defenses to which a Principal

Owner may be entitled; and (iii) any and all right to have any legal action under this Guaranty and Covenant decided by a jury.

e. **Binding Effect**. This Guaranty and Covenant is binding upon each Principal Owner, his or her successors and assigns, and is binding upon and shall inure to the benefit of SNS, its successors and assigns. No assignment or delegation by a Principal Owner shall release such Guarantor of his or her obligations under this Guaranty and Covenant.

f. **Modifications.** This Guaranty and Covenant may not be modified orally, but only by a writing signed by a Principal Owner and SNS; provided, however, SNS may unilaterally modify, terminate, or discharge this Guaranty and Covenant as it pertains to an individual Principal Owner without the consent of the remaining Principal Owners. Modifications include any waiver, change, discharge, modification, or termination.

g. **Governing Law**. The terms used in this Guaranty and Covenant shall have the same meaning as in the Agreements, and shall be interpreted and construed in accordance with Section 15.4 of the Franchise Agreement. This Guaranty and Covenant shall be interpreted and construed under the laws of the State of Indiana without regard to its conflict of laws rules. In the event of any conflict of law, the laws of the State of Indiana shall prevail (without regard to, and without giving effect to, the application of Indiana conflict of law rules). Each Principal owner acknowledges that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of this Guaranty and Covenant and any dispute arising out of this Guaranty and Covenant or the parties' relationship created by this Guaranty and Covenant. Each Principal Owner further acknowledges the receipt and sufficiency of mutual consideration for such benefit.

h. **Venue.** Any and all actions and other legal proceedings arising under this Guaranty and Covenant or otherwise as a result of the parties' relationship shall be filed and maintained only in a state or federal court of competent jurisdiction located in the State of Indiana, and the parties hereby consent, and waive any objections they might have, to the jurisdiction of and venue in such courts for the purpose of resolution of any such disputes. Notwithstanding the above, each Principal Owner agrees that Franchisor may enforce this Agreement in the courts of the state in which Franchisee's Restaurant is located.

i. **Remedies.** Because SNS may suffer irreparable harm in the event of a breach of this Guaranty and Covenant, each Principal Owner consents to the entry of an injunction without bond against its actual or threatened breach of this Guaranty and Covenant or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to SNS.

j. **Damages.** In addition to any injunctive relief awarded pursuant to the previous paragraph SNS shall be entitled to any damages it suffers as a

result of a Principal Owner's breach of this Guaranty and Covenant.

k. **Attorneys' Fees**. In addition to all relief set forth above, in the event any suit or other action is commenced to construe or enforce any provision of this Guaranty and Covenant, the prevailing party, in addition to all other amounts such party shall be entitled to receive from the other party, shall be paid by the other party a reasonable sum for attorneys' fees and costs.

l. **Notices and Change of Address**. All notices pursuant to this Guaranty and Covenant must be in writing and delivered to the address for the party indicated below in the following mannter: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service; or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

SNS notice address:

Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise
19100 Ridgewood Parkway, Suite 1200
San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania St.,
Suite 400
Indianapolis, Indiana 46204
Email:chris.evens@steaknshake.com

Principal Owner: Mailing address and/or email address set forth in Appendix A of the Franchise Agreement.

REMAINDER OF PAGE INTENTIONALLY BLANK

GUARANTY AND COVENANT SIGNATURE PAGE

IN WITNESS WHEREOF, each Principal Owner has duly signed this Guaranty and Covenant on the date stated below.

Franchisee Name: **Click here to enter text.**

Restaurant Location: **Click here to enter text.**

PRINCIPAL OWNERS:

By:_____ **Dated:** _____**, 202____**

Printed: Click here to enter text., individually

By:_____ **Dated:** _____**, 202____**

Printed: Click here to enter text., individually

By:_____ **Dated:** _____**, 202____**

Printed: Click here to enter text., individually

By:_____ **Dated:** _____**, 202____**

Printed: Click here to enter text., individually

By:_____ **Dated:** _____**, 202____**

Printed: Click here to enter text., individually

APPENDIX B-2 TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND WAIVER AGREEMENT

For execution by Franchisee's Owner's with less than ten percent (10%) ownership interest in Franchisee, and Franchisee's Managers and Employees with Access to Confidential Information

Any Individuals not identified in the Franchise Agreement as an Owner and who subsequently aquire an ownership interest of less than 10% shall be required to execute this Confidentialty and Waiver Agreement as a condition to such ownership.

SEE FOLLOWING PAGE

RETURN SIGNED AGREEMENT TO:

Rebecca Willis
Steak n Shake Enterprises, Inc.
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204
(317) 633-4100 Telephone
(317) 633-5455 Fax
rebecca.willis@steaknshake.com

CONFIDENTIALITY AND WAIVER AGREEMENT

This Confidentiality and Waiver Agreement ("Agreement") is entered into by each individual signing below (each a "Recipient") as of the date set forth next to each Recipient's signature below in conjunction with each Recipient's ownership interest or employment with the franchisee identified on the last page of this Agreement ("Franchisee") for the benefit of Franchisee and Steak n Shake Enterprises, Inc., its affiliates, officers, successors and assigns (collectively, "Franchisor").

WHEREAS, Franchisee operates a Steak n Shake By Biglari Restaurant or restaurants pursuant to certain Unit Franchise Agreement(s) with Franchisor, which agreement(s) require(s) Franchisee to protect certain confidential information pertaining to the Franchisee's operation of the Steak n Shake By Biglari Restaurant(s).

WHEREAS, the success of the Steak n Shake By Biglari brand depends on maintaining the goodwill associated with its trademarks and protecting the confidential and proprietary business information related to the operation of all Steak n Shake By Biglari Restaurants. Additionally, Franchisor is owned by a publicly traded company and subject to securities laws which limit the disclosure of certain business and financial information, which, if released, may subject the Franchisor and its affiliates to securities law violations.

WHEREAS, Recipient is [check as appropriate]:

__ a manager of Franchisee
__ an employee of Franchisee
__ an owner of a direct or indirect interest of less than ten percent (10%) in Franchisee

and Recipient's employment with or ownership interest in Franchisee (as applicable)(the "Business Purpose") requires that Recipient have access to certain confidential and proprietary information pertaining to the operation of a Steak n Shake By Biglari Restaurant.

NOW THEREFORE, as a condition to employment with Franchisee or holding an ownership interest in Franchisee (as applicable), the Recipient agrees to the following:

1. **Restrictions on Confidential Information.**

   a. "**Confidential Information**" means any and all information relating to Franchisor and/or the Steak n Shake By Biglari System (as defined in the Franchise Agreement) that is not generally available to the public, including but not limited to: (i) the unique restaurant concept of a Steak n Shake By Biglari Restaurant; (ii) the Manual; and (iii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in the design and operation of a Steak n Shake By Biglari Restaurant and the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Steak n Shake By Biglari Restaurants; (iv) information, systems, experience, and business intelligence with respect to the consumer, business, or financial success,

attributes or performance of any product, marketing promotion, strategy, equipment or consumer proposition; (v) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically approved by Franchisor); (vi) Financial Information; and (vii) supplier relationship and distribution system information. If Franchisor posts some or all of the Manual and any changes on a restricted Website or extranet to which the undersigned will have access, any passwords or other digital identifications necessary to access the Manual on a Website or extranet will be deemed to be part of Confidential Information.

i. **Exclusions**. Notwithstanding the foregoing, Confidential Information does not include information, concepts, methods, procedures or techniques that are, or become, generally known in the food service industry in the United States through no breach of this Agreement by Franchisee or its Authorized Recipients (as defined in subsection (d)(v) herein).

b. "**Financial Information**" means guest counts, sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Steak n Shake By Biglari Restaurants whether those Restaurants are operated by Franchisor, Franchisee or any Steak n Shake By Biglari franchisee ("Financial Information").

c. **Manner of Disclosure.** Franchisor may disclose Confidential Information to the undersigned by furnishing layouts, specifications and guidance in the development and operation of the Restaurant, the training program, the Manual and other instructional manuals, sale promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to the undersigned during the Term of the Franchise Agreement or which the undersigned may acquire the Confidential Information from the Franchisee or from other franchisees. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to the undersigned under a confidentiality notice is expressly conditioned upon the undersigned's consent to these restrictions.

d. **Obligations.** The undersigned agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to utilize it in the development and operation of the Restaurant during the Term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other restaurant business would constitute an unfair method of competition. The undersigned acknowledges and agrees that the Confidential Information is proprietary to Franchisor and is a trade secret of Franchisor and is disclosed to the undersigned solely for his use in the development and operation of the Restaurant during the Term of the Franchise Agreement and on the condition that the undersigned:

i. will not use the Confidential Information in any other business or capacity;

ii. will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the Term of the Franchise Agreement;

iii. will not under any circumstance disclose any Confidential Information to any media outlet or post such Confidential information on any websites, social media, or in other formats available to the public;

iv. will not make unauthorized copies of any portion of the Confidential Information disclosed;

v. will adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including without limitation: (a) restricting access to and disclosure of Confidential Information to only those Owners and employees of the Franchisee whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; attorneys, accountants, lenders, and insurers of the Franchisee or Prinicipal Owner on a need to know basis; and with respect to Financial Information, Franchisee's landlords and/or prospective purchases (provided they agree in writing to the confidentiality provisions set forth herein for the benefit of Franchisee and Franchisor) (collectively, the foregoing are referred to as "Authorized Recipients"); (b) restricting access to Confidential Information to prevent the theft, unauthorized duplication and discovery of such Confidential Information.

e. **Permissible Disclosures**.

i. Notwithstanding the foregoing, the undersigned or an Authorized Recipient may disclose Confidential Information if and to the extent that such disclosure is required by applicable law or valid subpoena ("Required Disclosures"), provided that the undersigned or Authorized Recipient first provides Franchisor a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure and if requested by Franchisor, the undersigned or Authorized Recipient shall join Franchisor in any request to limit the disclosure by means of a protective order or a request for confidential treatment; and

ii. The restrictions set forth in this Section 1 with respect to Confidential Information shall not interfere with the undersigned's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

2. **Restrictions on Public Statements**.

a. **Obligations.** The undersigned shall not, without the Franchisor's express

written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

i. makes any statement which disparages, ridicules or is derogatory of the System, the Steak n Shake By Biglari brand or Marks, Franchisor or its Affiliates, the owners, officers, employees, agents, consultants, attorneys or representatives of Franchisor, or any Steak n Shake By Biglari franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any Steak n Shake By Biglari franchisee;

ii. pertains in any way to health or safety conditions at a Steak n Shake By Biglari Restaurant; or

iii. pertains to any litigation pending or threatened against Franchisee, a Steak n Shake By Biglari franchisee, Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

iv. Subsections (i) through (iii) immediately above are collectively referred to as "Public Statements".

b. **Limited Exceptions.** Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena ("Required Statements") shall be permitted if the undersigned or Franchisee (as applicable) uses reasonable efforts to limit the Public statement by means of a protective order or a request for confidential treatment and provides Franchisor a reasonable opportunity to review the Public Statements before it is made and to interpose its own objection to the Public Statements. The restrictions set forth in this Section 2 with respect to Public Statements shall not interfere with the undersigned's federal or state labor law rights, any applicable rights under the First Amendment to the United States Constitution or equivalent state law rights, or any whistleblower protections under federal or state law.

3. **Training Waiver and Release**. As a condition to the undersigned attending the Steak n Shake By Biglari Management Development Training Program (the "Training"), if applicable, which Training may take place at a certified training restaurant operated by Franchisor, its affiliates, or an independently owned and operated Steak n Shake By Biglari Restaurant ("Host Franchisee"), the undersigned, but only to the extent that such individual participates in the Training, agrees to the following:

a. For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned does hereby waive, release, remise and forever discharge Franchisor, Host Franchisee, and their predecessors, successors and assigns, parent, subsidiaries and affiliated entities, and their respective managers, members, officers, directors, agents, employees and representatives (collectively, the "Releasees"), of and from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, covenants, contracts, agreements, promises, damages, judgments,

extents, executions, liabilities and obligations, both contingent and fixed, known and unknown, of every kind and nature whatsoever in law or equity, or otherwise, under local, state, or federal law, against the Releasees arising from or in connection with the Training, excluding the gross negligence or willful misconduct of Releasees.

b. The undersigned acknowledges that he/she has been advised by Franchisor that daily training activities may be demanding and require good physical health; and that in the ordinary course of training the undersigned may be exposed to strenuous physical activity, including without limitation, heavy lifting, rotating schedules, overtime hours, exposure to and inhalation of chemicals, and walking on wet or slippery floors. The undersigned acknowledges that he/she has been informed that the strenuous and physically demanding nature of some portions of the training impose a risk of extreme and excessive physical demands on trainees who are not in good physical health and/or who suffer from any special medical conditions, including without limitation, pregnancy, persons with a history of back problems, leg problems, heart or other circulatory conditions or pulmonary (lung) problems. Due to the arduous and physically demanding nature of the training, the undersigned has been advised to consult with his/her physicians before engaging in the training program, and to wear skid resistant shoes while Training in the Restaurant.

c. The undersigned acknowledges that he/she has disclosed to Franchisor 's Training Staff if he/she is experiencing any health problems of a permanent or temporary nature which may affect participation in the training program, and, if temporary, has been offered the option of attending training on alternative dates.

d. The undersigned acknowledges the possibility that the undersigned may not fully know the number or magnitude of all the released claims, but nevertheless intends to assume the risk of attending and/or participating in the training program and is releasing those unknown claims. The undersigned acknowledges that the undersigned's attendance at Franchisor's Training is contingent upon the undersigned's execution of this Agreement.

e. The undersigned further agrees for him/herself and for his/her successors and assigns, to indemnify and hold harmless forever, the Releasees, against any and all claims or actions which hereafter may be brought or instituted against Releasees, by or on behalf of anyone claiming under rights derived from the undersigned and arising from or in connection with the Training.

f. The undersigned will indemnify, protect, defend and hold harmless Franchisor (and its parents, affiliates and subsidiaries) and the Host Franchisees whose locations are being used in the undersigned training (if applicable) from and against any and all liabilities, claims, demands, losses, damages, suits, costs, attorney's fees, settlement costs and judgments which result from the negligent acts or willful misconduct of the undersigned, including without limitation misuse or misappropriation of Franchisor's or Host Franchisee's

assets and improper conduct with respect to employees or representatives of Franchisor or the Host Franchisee.

g. The undersigned agrees that if he/she is injured while attending training and/or mentoring program in a Host Franchisee's location, then he/she will not make claim against Franchisor (and its parents, affiliates and subsidiaries) or the Host Franchisee or the insurance policies of Franchisor and/or Host Franchisee; provided, however, this shall exclude any claims by the undersigned arising solely from Franchisor's or Host Franchisee's gross negligence or willful misconduct.

h. In addition to the restrictions on Confidential Information set forth in Section 1 herein, the undersigned also agrees that he/she will not (i) photograph any area of the Franchisor or Host Franchisee Restaurant; or (ii) divulge any Financial Information that relates to a Franchisor or Host Franchisees' businesses, which he/she may obtain while in training/mentoring at a Franchisor or Host Franchisees' restaurant.

4. **Miscellaneous.**

a. **Binding Effect**. This Agreement is binding upon the undersigned, his or her successors and assigns, and is binding upon and shall inure to the benefit of Franchisor, its successors and assigns.

b. **Modifications.** This Agreement may not be modified orally, but only by a writing signed by the undersigned and Franchisor.

c. **Governing Law**. The terms used in this Agreement shall have the same meaning as in the Agreements, and shall be interpreted and construed in accordance with Section 15.4 of the Franchise Agreement. This Agreement shall be interpreted and construed under the laws of the State of Indiana without regard to its conflict of laws rules. In the event of any conflict of law, the laws of the State of Indiana shall prevail (without regard to, and without giving effect to, the application of Indiana conflict of law rules). The undersigned acknowledges that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. The undersigned further acknowledges the receipt and sufficiency of mutual consideration for such benefit.

d. **Venue.** Any and all actions and other legal proceedings arising under this Agreement or otherwise as a result of the parties' relationship shall be filed and maintained only in a state or federal court of competent jurisdiction located in the State of Indiana, and the parties hereby consent, and waive any objections they might have, to the jurisdiction of and venue in such courts for the purpose of resolution of any such disputes. Notwithstanding the above, the undersigned agrees that Franchisor may enforce this Agreement in the courts of the state in which Franchisee's Restaurant is located.

e. **Remedies.** Because Franchisor may suffer irreparable harm in the event of a

breach of this Agreement, The undersigned consents to the entry of an injunction without bond against its actual or threatened breach of this Agreement or unauthorized disclosure of the Confidential Information, in addition to any other remedies available to Franchisor.

f. **Damages.** In addition to any injunctive relief awarded pursuant to the previous paragraph Franchisor shall be entitled to any damages it suffers as a result of the undersigned's breach of this Agreement.

g. **Attorneys' Fees**. In addition to all relief set forth above, in the event any suit or other action is commenced to construe or enforce any provision of this Agreement, the prevailing party, in addition to all other amounts such party shall be entitled to receive from the other party, shall be paid by the other party a reasonable sum for attorneys' fees and costs.

h. **Notices and Change of Address.** All notices pursuant to this Agreement must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise
19100 Ridgwood Parkway, Suite 1200San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street,
Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Recipient: Address or email address set forth below Recipient's signature hereto.

REMAINDER OF PAGE INTENTIONALLY BLANK

CONFIDENTIALITY AND WAIVER AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned has duly signed this Agreement on the date stated below.

Name of Franchisee: **Click here to enter text.**

Restaurant Location: **Click here to enter text.**

_____
Signature

Print Name: _____

Title: _____

Address: _____

_____

_____

Telephone: ( )_____

Email Address: _____(required)

APPENDIX C TO FRANCHISE AGREEMENT

Required Lease Language

Except as approved in writing by Franchisor, any lease to operate a Steak n Shake By Biglari Restaurant shall include in the following Lease Addendum. Prior to execution of the Lease, Franchisee must provide a draft Lease to Franchisor for its review, and send a fully executed copy of the Lease (including the following Addendum) to:

Rebecca Willis
Steak n Shake Enterprises, Inc.
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204
(317) 633-4100 Telephone
(317) 633-5455 Fax
rebecca.willis@steaknshake.com

ADDENDUM TO LEASE AGREEMENT

A. WHEREAS, _____ ("Landlord") and _____ ("Tenant") have entered into a certain lease agreement dated as of the ___ day of _____, 20___ (the "Lease") for the property located at _____ (the "Premises").

B. WHEREAS, Franchisor offers franchises for qualified third parties to operate restaurants operating under the name "Steak n Shake By Biglari", which operate both free-standing and in-line space of approximately 2,750 SF and offer quick-service only for dine-in, drive thru (depending on location) and carryout patrons that includes a core menu of steakburgers and milkshakes (a "Prototypical Quick-Service Restaurant"). As permitted by the Lease and local law, beer and wine may be sold from the Quick-Service Restaurant for on-premises consumption.

C. WHEREAS, Steak n Shake Enterprises, Inc. ("Franchisor") and Tenant executed a Franchise Agreement dated the ____ day of _____, 20__ (the "Franchise Agreement") which grants Tenant the right to operate Prototypical Quick-Service Restaurant at the Premises pursuant to the terms and conditions set forth in the Franchise Agreement; and

D. WHEREAS, the Franchise Agreement requires that Tenant's Lease of the Premises contain certain terms and conditions.

NOW THEREFORE, Landlord and Tenant agree to modify the terms of the Lease as more specifically set forth below in order that the Lease may comply with the Franchise Agreement.

1. Conflicting Terms. Landlord and Tenant agree that in the event of a conflict between the terms of the Lease and this Addendum to Lease Agreement (this "Addendum"), the terms of this Addendum shall control.

2. Permitted Use. Landlord represents that Tenant may operate the Premises as a Prototypical Quick-Service Restaurant.

3. Franchisor's Option to Assume Lease.

(a) If Tenant defaults under the Lease for the Premises, or if Franchisor terminates Tenant's Franchise Agreement covering the Premises, Landlord and Tenant acknowledge and agree that Franchisor will have the option (the "Option") to assume Tenant's rights and obligations in and under the Lease pursuant to the terms set forth herein. This Option supplements and forms a part of the Lease.

(b) In the event of Tenant's default under the Lease for which Landlord must give Tenant written notice, at the same time that Landlord sends the notice to Tenant, Landlord shall send a copy of the notice to Franchisor at the address below (or such other address as later designated in writing). Franchisor shall have the right, but not the obligation, to

(i) cure any breach of the Lease; and (ii) succeed to Tenant's rights, title and interests thereunder. Franchisor shall exercise this right by sending written notice of its election to Landlord at the address stated below (or such other address as later designated in writing) within thirty (30) days of receipt of the default notice. If Franchisor does not timely send such notice of election, Franchisor shall be deemed to have waived this right. Franchisor shall have the same cure period as Tenant under the Lease but in no way shall this be deemed to extend the cure period beyond that period of time given to Tenant by Landlord, except that if the Lease does not provide for any cure period for certain events of default, Franchisor shall have not less than ten (10) days following receipt of a default notice to exercise its option to cure such Tenant breach and assume the Lease. Landlord's default notice to Franchisor shall be a prerequisite for Landlord's exercise of any remedies resulting from Tenant's default under the Lease.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise
19100 Ridgewood Parkway, Suite 1200
San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street,
Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Landlord's notice address:

_____
_____
_____
_____
_____
_____

Copy to:

(c) Franchisor agrees to give written notice to Landlord if Franchisor terminates Tenant's franchise agreement and, in such notice, will request that Landlord provide Franchisor with a copy of the Lease and specify any of Tenant's defaults thereunder.

(d) Landlord and Tenant agree that Franchisor (or one of its affiliates) may notify Landlord and Tenant of Franchisor's decision to assume the Lease in the event that (i) Tenant defaults under the terms of the Lease and Franchisor elects to cure such default, or (ii) that Franchisor has terminated Tenant's franchise agreement covering the Premises. If Franchisor exercises its right to assume the Lease by sending Landlord and Tenant the required notice as provided in the prior sentence, (i) Landlord will deliver possession of the Premises to Franchisor; and (ii) Franchisor will, immediately upon such delivery, cure all of Tenant's monetary defaults under the Lease, begin curing all of Tenant's non-monetary defaults under the Lease and cure such non-monetary defaults within a reasonable time thereafter, and execute an agreement pursuant to which Franchisor agrees to assume all of Tenant's rights and obligations under the Lease, subject to the next paragraph.

(e) If Franchisor exercises its right to assume Tenant's interest in the Lease pursuant

to the preceding paragraph, Landlord agrees that Franchisor (i) may, without Landlord's consent, sublet the Premises or assign its rights in the Lease to an approved franchisee of Franchisor provided Franchisor remains liable for the payment of rent and the performance of Tenant's duties under the Lease, (ii) may assign, without recourse, its rights, obligations and interest under the Lease upon receiving Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, (iii) will not be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, (iv) will not be subject to any provision of the Lease that requires Tenant to continuously operate a business in the Premises during any period that the Premises is closed for remodeling or while Franchisor is seeking to obtain and train a new franchisee, provided however, that such period of closure will not exceed ninety (90) days in each instance; and (v) may, if it subleases the Premises to a franchisee as provided above, retain all rent or other consideration payable under such sublease.

(f) If Franchisor exercises its right to assume the Lease pursuant hereto, within ten (10) days after written demand, Tenant agrees to assign all of its right, title and interest in the Lease to Franchisor and Tenant shall execute and deliver to Franchisor or such Affiliate such assignment and take such further action as Franchisor or such Affiliate, as applicable, in its sole and absolute discretion, may deem necessary or advisable to effect such assignment. If Tenant fails to do so, Franchisor or such Affiliate shall be, and hereby is, appointed Tenant's attorney in fact to do so. This power of attorney granted by Tenant to Franchisor or such Affiliate is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Tenant.

(g) Notwithstanding anything to the contrary contained herein, Tenant shall remain liable to Landlord for all of its obligations under the Lease and to Franchisor for all amounts that Franchisor pays to Landlord to cure Tenant's defaults under the Lease, including interest, reasonable collection costs and de-identification costs.

(h) Landlord and Tenant agree that Franchisor may assign this Option and its rights hereunder to any affiliate, subsidiary, parent, successor or assign of Franchisor.

4. Landlord acknowledges that by inclusion of this provision in favor of Franchisor, Franchisor is not a party to the Lease and does not hereby assume any liability with respect to the Premises or any obligation as Tenant under the Lease, unless and until Franchisor expressly assumes such liability as described above. Franchisor is intended to be a third party beneficiary of this Addendum to Lease with an independent right to enforce its terms against Landlord and Tenant.

5. Franchisor's Right of Entry and Right to Remove Trade Dress. Landlord and Tenant hereby acknowledge that Tenant has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Tenant hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Tenant is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Steak n Shake by Biglari Restaurant. Landlord agrees to permit Franchisor, its employees or agents, to enter the

Premises and remove signs (both interior and exterior), decor, design elements, and materials displaying any marks, designs or logos, or other materials of any kind owned by, or related to, Franchisor; provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.

6. Franchisor's Consent to Certain Lease Amendments and Assignment by Tenant. During the Term of the Franchise Agreement, Tenant and Landlord agree that no written assignment or sublease of the Lease will become effective without the prior written consent of Franchisor; and no amendment or modification to the Lease term shall be effective without Franchisor's written consent.

7. Tenant's Use of Premises Following Expiration or Termination of the Franchise Agreement. Landlord and Tenant agree for a period of two (2) years following expiration or termination of the Franchise Agreement for any reason, neither Tenant nor any of Tenant's Principal Owners may use the Premises for any restaurant business that either (i) derives twenty-five (25%) or more of its annual revenue from the sale of ground beef sandwiches; or (ii) offers both ground beef sandwiches and ice cream products (regardless of the volume sold). "Principal Owner" as used herein means those individuals or entities with a direct or indirect ownership interest in Tenant of ten percent (10%) or more.

8. Confidential Information. Landlord agrees that it shall use commercially reasonable efforts to treat any data pertaining to sales at the Premises ("Confidential Sales Data") as confidential information and to limit disclosure to its employees, lenders, attorneys' and accountants on a need to know basis. Landlord may disclose the Confidential Sales Data to government authorities or agencies as required by law, or as required by judicial order. Landlord may disclose the Confidential Sales Data to its brokers or any prospective purchasers of all or any portion of the Premises and their lenders, brokers, attorneys, and accountants only if such recipient(s) prior to disclosure, agree in writing for the benefit of Franchisor and Franchisee to use such Confidential Sales Data solely for the purpose of evaluating the contemplated transaction and to maintain the confidentiality of such information.

9. Binding Effect. This Addendum to Lease shall be binding on Landlord and Tenant's successors and assigns. Franchisor is intended to be a third party beneficiary of these provisions of the Lease, and as such, may enforce such provisions in accordance with applicable law, having relied thereon.

10. This Addendum to Lease may be signed in any number of counterparts by facsimile or otherwise, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A facsimile signature may be used for any purpose in lieu of an original signature

IN WITNESS WHEREOF, the undersigned authorized representatives of Landlord and Tenant have executed and delivered this Addendum to Lease on the ___ day of _____, 202___.

Landlord:	Tenant:
_____	_____
By: _____	By: _____
Printed: _____	Printed: _____
Title: _____	Title:_____

APPENDIX D TO FRANCHISE AGREEMENT

DECLARATION OF FRANCHISE AGREEMENT

APPLICABLE IF RESTAURANT PROPERTY IS OWNED BY FRANCHISEE OR ITS AFFILIATE

DECLARATION OF FRANCHISE AGREEMENT

After recording return to:

Rebecca Willis
Steak n Shake Enterprises, Inc.
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204

RECITALS

WHEREAS, _____ ("Owner") is the fee simple owner of that certain real estate legally described in Exhibit A attached hereto, which is commonly referred to as _____ , including any building and improvements located thereon (the "Property"); and

WHEREAS, in consideration of, and as an inducement to, the execution of that certain Unit Franchise Agreement between STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation ("SNS") and _____ ("Franchisee") dated as of _____ ("Franchise Agreement") whereby SNS licenses to Franchisee the right to operate a Steak n Shake By Biglari Restaurant on the Property, Owner hereby agrees as follows:

RESTRICTIVE COVENANTS

1. During the Term of the Franchise Agreement, the Property shall be used solely for the operation of a Steak n Shake By Biglari Restaurant, and no other purpose.

2. Any lease of the Land and any improvements thereon during the Term of the Franchise Agreement shall be subject to the Addendum to Lease set forth in the Franchise Agreement, which is incorporated herein by reference.

3. This Declaration is given for the benefit of SNS and cannot be cancelled or released without SNS's consent.

3. The foregoing restrictions shall be a covenant running with the Land and binding on Owner, its successor and assigns.

IN WITNESS WHEREOF, Owner has caused this instrument to be executed as of the date stated below.

[SIGNATURE PAGE FOLLOWS]

OWNER: _____

By: _____

Witness:_____ Printed Name: _____

Printed: _____ Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____, _____ of _____, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at

_____, _____, this ___ of _____, 20___.

NOTARY PUBLIC

_____
Printed: _____

My Commission Expires: My County of Residence:

_____ _____

STEAK N SHAKE ENTERPRISES, INC.

By: _____

Witness:_____ Printed Name: _____

Printed: _____ Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____, _____ of _____, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at

_____, _____, this ___ of _____, 20___.

NOTARY PUBLIC

_____
Printed: _____

My Commission Expires: My County of Residence:

_____ _____

APPENDIX E TO AGREEMENTS

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Steak n Shake Enterprises, Inc.
Attention: Accounting Department
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204
Phone: 317-633-4100 Fax: 317-655-7316

AGREEMENT FOR ELECTRONIC FUND TRANSFER PAYMENTS

*****This form MUST be accompanied by a Printed Voided Check *****

(I/we) do hereby authorize Steak n Shake Enterprises, Inc., ("COMPANY"), to initiate recurring debit and credit entries as permitted under the terms of the Franchise Agreement between Company and the Franchisee listed below, to my (our) checking/savings accounts at THE FINANCIAL INSTITUTION listed below by Electronic Funds Transfer, and, if necessary, initiate adjustments for any transactions credited/debited in error. (I/we) acknowledge that the origination of Electronic Funds Transfer transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the COMPANY to collect such debit(s) by Electronic Funds Transfer and subsequently collect a returned debit NSF fee of $25.00 per item by Electronic Funds Transfer from my account identified below.

I am a duly authorized check signer on the financial institution account identified below, and authorize all of the above as evidenced by my signature below.

Financial Institution Name: _____
City: _____
State: _____ Zip: _____
Routing Number: _____
Acct. Number: _____

This authorization is to remain in full force and effect until the earlier of Franchisee's payment to Company of all fees accruing during the Term of the Franchise Agreement or the date upon which the COMPANY has received written notification from (me/us) of its termination in such time and in such manner as to afford the COMPANY and FINANCIAL INSTITUTION a reasonable opportunity to act on it.

Section 6.7 of the _____, 2018 Franchise Agreement signed between _____ ("Franchisee") and Company provides Franchisee the option, in Franchisee's sole discretion, to designate a different entity/person as the entity/person authorized to initiate Franchisee-related recurring debit and credit transactions via Electronic Funds Transfer (i.e. the "Authorized User"). If Franchisee intends to designate an Authorized User, Franchisee must complete the below information and both Franchisee and the Authorized User must sign where indicated. By signing below, Franchisee also agrees to immediately notify Company in writing in the event Franchisee intends to remove or replace the Authorized User.

Franchisee Name: _____
Authorized User: _____
_____
Address: _____
City: _____
State: _____ Zip: _____
By: _____
Type or Print Name/Title of Authorized Signer
Signature: _____ Date: _____

"Franchisee"

_____

By: _____
Printed Name: _____
Its: _____

APPENDIX F

Steak n Shake highly recommends that you utilize an experienced architect for your project who has previously worked on other Steak n Shake restaurants. A list of architects who have previously worked on Steak n Shake restaurants will be provided once you sign the Franchise Agreement or upon request. If you intend to utilize your own architect, you must submit their qualifications for review and consent by Steak n Shake Enterprises, Inc. ("Franchisor") in advance of beginning development on the Steak n Shake restaurant. You should not initiate your project until this approval is received.

Architects Qualification Submittal:

To convey your architectural ability and experience submission of the following items are required:

1. Qualification Statement, typed (hand written statements will not be accepted) including year of incorporation, number of employee's, states registered in, employee's names who will be actively involved in Steak n Shake project.
2. Proof of errors and omission and professional insurance and coverage ranges
3. Proof of automobile liability insurance
4. Proof of Workman's compensation insurance
5. Submit a list of all restaurants projects in the past three (3) years including current restaurant projects and the last five (5) completed with owner contact names, addresses, and phone/fax numbers.
6. Submit a list of contacts and references for all restaurants projects which may be contacted and able to discuss the performance and abilities of the architectural team including the preferred engineers and consultants to be engaged by the local architect under consideration.
7. Submit construction documents for last two completed restaurant projects
8. Include any additional information you feel would be of benefit in conveying your companies capabilities.

This information should be submitted to your Director of Construction for review.

RIDER 1 TO FRANCHISE AGREEMENT

CONFIRMATION OF OPENING DATE AND EXPIRATION DATE

WHEREAS. STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation ("Franchisor") and _____ ("Franchisee"), entered into that certain Unit Franchise Agreement for the Steak n Shake By Biglari Restaurant located at _____("Restaurant"), dated effective _____ ("Franchise Agreement"); and

WHEREAS, the parties desire to confirm certain dates set forth in the Franchise Agreement, as follows.

NOW THEREFORE, the parties agree to the following:

1. The Restaurant first opened for business on _____, 20___.

2. The Initial Term of the Franchise Agreement for the Restaurant expires on _____("Expiration Date"), unless terminated earlier in accordance with the terms of the Agreement.

3. Appendix A, Item 1 of the Franchise Agreement is hereby amended to reflect the complete address of the Authorized Location as follows:

_____

"Franchisee"

By:_____

Printed:_____

Title:_____

"Franchisor"

STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation

By:_____

Title: _____

Its: _____

RIDER 2 TO FRANCHISE AGREEMENT

New Restaurant Opening Turnover Date Commitment Form

Steak 'n Shake Enterprises is committed to providing our franchise partners with outstanding Wings Team Trainers and will deploy a team based on the schedule below. Significant financial costs are incurred when changes occur in the opening date. Changes will result in excess costs for everyone. Those changes must be avoided.

Franchisee agrees that if the new restaurant opening turnover date identified below is changed for any reason, Franchisee will reimburse Steak 'n Shake Enterprises for non-refundable tickets, change fees and additional travel expenses incurred by the Franchisor to change the travel arrangements for its Wings Team trainers to support this opening ("Additional Travel Expenses"). Franchisee shall reimburse Franchisor within thirty (30) days of receipt of an invoice detailing the Additional Travel Expenses.

Franchisee: _____

New Restaurant Opening Location: _____

Seven (7) Week Call Date: _____

Projected Turnover Date to Operations: _____

Projected New Restaurant Opening Date: _____

Franchisee: _____

By: _____ (Must be signed by Managing Owner)

Printed: _____

X_____, Director / Franchise Operations

X_____, Director / New Restaurant Opening

RIDER 3 TO FRANCHISE AGREEMENT

FRANCHISOR'S CONSENT TO RESTAURANT OPENING

WHEREAS. STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation ("Franchisor") and _____ ("Franchisee"), entered into that certain Unit Franchise Agreement for the Steak n Shake By Biglari Restaurant located at _____("Restaurant"), dated effective _____ ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement expressly provides that Franchisee may not open the Restaurant until the Franchisor has issued its written consent in the form of this Consent to Opening confirming that all of Franchisee's pre-opening obligations as set forth in the Franchise Agreement have been satisfied.

NOW THEREFORE, Franchisor agrees as follows:

1. Franchisor's counsel has determined that to the best of Franchisor's actual knowledge, the Franchisee has complied with the terms of the Franchise Agreement as of the date hereof, and may proceed with the opening of the Restaurant on or after the ___ day of _____, 202__.

2.[If applicable] Franchisor's consent to the Franchisee's opening of the Restaurant is conditioned upon Franchisee completing the following items no later than _____ [date], and by allowing Franchisee to open prior to completion of the foregoing items, Franchisor is in no way waiving or modifying its rights and remedies under the Franchise Agreement.

"Franchisor"
STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation

By:_____

Title:
Its:

EXHIBIT 1 TO UNIT FRANCHISE AGREEMENT

SBA ADDENDUM TO FRANCHISE AGREEMENT

APPLIES ONLY IF FRANCHISEE IS OBTAINING A SMALL BUSINESS ADMINISTRATION LOAN

SEE NEXT PAGE

ADDENDUM TO FRANCHISE AGREEMENT[1]

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee 's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee 's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor .

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee .

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR :

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee . Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

EXHIBIT 2 TO UNIT FRANCHISE AGREEMENT

FORM OF WAIVER AND INDEMNITY AGREEMENT

SEE NEXT PAGE

FORM OF WAIVER AND INDEMNITY AGREEMENT

This Waiver and Indemnity Agreement is executed as of the_____ day of_____, 202_____and between Steak n Shake Enterprises, Inc., an Indiana corporation ("Franchisor"); Steak n Shake Inc. ("SNS"); and _____ ("Franchisee")

Recitals

A. Franchisor and Franchisee executed that certain Franchise Agreement ("Franchise Agreement") whereby Franchisee is obligated to develop and operate a Steak n Shake By Biglari Restaurant at _____ ("Restaurant") pursuant to the terms and conditions set forth therein.

B. Franchisee acknowledges that it has [not hired a sufficient number of Restaurant managers who have successfully completed Franchisor's required training program, as required by the Franchise Agreement, and consequently, without outside assistance, Franchisee would be unable to operate the Restaurant]; or [complied with Franchisor's standards for quality, cleanliness or service and as a result of such failure, is in breach of its Franchise Agreement].

C. In order to accommodate Franchisee's desire to open the Restaurant, Franchisor has agreed to coordinate with other Steak n Shake By Biglari franchisees ("Other Franchisees") to attempt to locate trained managers of Other Franchisees who are available to work on a temporary basis in the Restaurant until Franchisee has employed a sufficient number of qualified managers who have successfully completed Franchisor's required training program ("Coordination Activities"). At Franchisor's sole discretion, Franchisor may provide managers employed by Franchisor's affiliate SNS to provide temporary assistance at the Restaurant.

D. Franchisee acknowledges and agrees that SNS has no obligation under the Franchise Agreement to provide this assistance, and as a condition of doing so, is requiring that the Franchisee agree to this Waiver and Indemnity Agreement.

1) **SNS's Services.**
   a) SNS may provide SNS managers to work in the Restaurant on a temporary basis for such duration as SNS and Franchisor may determine in their sole discretion and may provide Coordination Activities (collectively, the "Services"). A more detailed explanation of the Services and the Franchisee's obligations with respect to the operation of the Restaurant is attached hereto as Exhibit A and incorporated herein by reference.

   b) SNS is not responsible for providing substitutes, replacements, temporary help or any other personnel on account of the unavailability of the SNS's Employees or the managers of Other Franchisees for any reason.

   c) Franchisee acknowledges and agrees that Franchisor cannot guarantee the effectiveness or skill level of any managers provided by SNS, Franchisor or Other Franchisees. Franchisee further acknowledges and agrees that Franchisee bears all responsibility for its Restaurant operation and management. The skill level of Franchisee's owners managers and employees directly impact the overall guest experience.

2) **SNS's Reservation of Rights.**

   a) SNS shall have sufficient authority so as to maintain a right of direction and control over SNS's Employees assigned to Franchisee, and shall retain authority to hire, terminate, discipline and reassign SNS's Employees at any time and without consulting with Borrowing Franchisee.

   b) If Franchisee breaches this Agreement or the terms of Franchise Agreement, SNS may, in its sole discretion, immediately remove the SNS Employees from Franchisee's Restaurant.

   c) If the Restaurant does not operate in compliance with Franchisor's standards for any reason, Franchisor reserves the right to close the Restaurant at any time pursuant to the terms and conditions set forth in the Franchise Agreement.

   d) Franchisor shall have no obligation to supervise the activities of the managers of Other Franchisees while working in the Franchisee's Restaurant.

3) **Service Charge to Franchisor.** In consideration for Franchisor providing the Coordination Activities which Franchisee agrees are beyond the scope of Franchisor's obligations pursuant to the Franchise Agreement, Franchisee is responsible for paying Franchisor a service charge of $4,000 per month for such time that either SNS or another Franchisee supplies managers or other support staff for Franchisee's restaurant due to Franchisee's [failure to have an adequate number of restaurant managers employed by Franchisee who have successfully completed Franchisor's current training program] or [comply with Franchisor's standards of quality, cleanliness and/or service]. Franchisee must pay the Service Charge to Franchisor on or before the 15th day of each month with the first payment for _____ due within _____ days of execution of this Agreement.

4) **Payment of SNS and Other Franchisees' Employees.** SNS is responsible for the payment of all wages owed to the SNS's Employees in providing the Services to Franchisee, subject to reimbursement from Franchisee as set forth herein. At this time it is not contemplated that SNS will provide any employees to work in the Franchisees' Restaurant; however, if Franchisee does not have an adequate number of managers for any reason and Franchisor is required to provide temporary management assistance, Franchisee agrees to reimburse Franchisor subject to the terms below.

   a) Franchisee will, upon request, verify the actual time worked by SNS's Employees.

   b) Franchisee agrees to reimburse SNS for the actual wages of the SNS's Employees in performing the Services.

   c) As compensation for SNS providing the SNS Employees to Franchisee and the associated administrative services SNS performs pursuant to this Waiver and Indemnity Agreement, Franchisee must pay to SNS the sum of the Gross Payroll, Travel, Meals and Lodging, and the Service Charge (collectively, the "Lease Payment").

d) Gross Payroll is an amount equal to the total gross payroll of the SNS Employees which includes all salaries, commissions, hourly wages, bonuses, sick pay, vacation pay, severance pay, overtime pay (at the then-applicable rate required by all applicable laws or as otherwise in accord with our standard policies whichever is greater), payroll taxes, workers' compensation insurance and unemployment compensation insurance and other administrative or other costs of the SNS Employees(including benefits) (the "Gross Payroll").

e) "Travel, Meals and Lodging" includes the following (except as indicated below):

   i) Travel - Air travel for all personnel will be by coach class unless coach class is not available. Checked baggage fees are reimbursable expenses. For travel by car, reimbursement is at the IRS allowable mileage rate for business reimbursement based on the miles actually traveled by the employee from the residence or most recent assignment to the Franchisee's Restaurant. If the employee must travel by air to the location of the Restaurant and lodging is not available or feasible within walking distance of the Restaurant, the reasonable cost of car rental will be included as a reimbursable expense.

   ii) Lodging - Reasonable hotel expenses are reimbursable; however, mid-priced hotels are to be utilized (e.g.: Hampton Inn®, Fairfield Inn®).

   iii) Meals - Reasonable breakfast, lunch and dinner meal expenses, including reasonable tips (15-20%).

   iv) Other - Reasonable costs for laundry service on personal apparel items. Bus or taxi fares, tolls, parking fees, and tips for services performed (e.g., baggage handling).

   v) Exclusions: Personal expenses such as hotel amenities (in room movies, bar, etc.) video rentals, movie charges, traffic fines, travel insurance, and babysitting are not reimbursable.

f) All amounts due for Gross Payroll, Travel, Meals and Lodging shall be paid by wire transfer of funds within ten (10) days following receipt of an invoice from SNS. Any invoice remaining unpaid for more than thirty (30) days from receipt shall accrue interest at a rate of the lesser seven (7%) percent per month or the highest rate allowed by law.

[if applicable] In addition to the amounts due to Franchisor above, Franchisee is responsible for reimbursing Other Franchisees for the Gross Payroll of the Other Franchisees' managers during their performance of services in Franchisee's restaurant.

5) **Franchisee's Obligations.** Franchisee shall, at all times, maintain a safe working environment in accordance with applicable laws. Franchisee shall have sole and exclusive control over Franchisee's Restaurant. Franchisee must provide the SNS's Employees and the managers of Other Franchisees with a suitable work environment, supplies (including such personal protective equipment as may be necessary), and support to insure their fulfillment of the duties and responsibilities.

a) Complaints, allegations or incidents of any tortious misconduct or workplace safety violations by SNS's Employees or the managers of Other Franchisees must be reported by Franchisee to SNS immediately upon becoming known to Franchisee.

b) SNS will only provide the Services and no other services shall be provided or implied, including without limitation any strategic, operational or other business related decisions with regard to Franchisee's business. Such decisions shall exclusively be Franchisee's responsibility and SNS shall bear no responsibility or liability for any actions or inactions by Franchisee, nor shall SNS's Services imply or guarantee a level of financial success by the Franchisee in the operation of its Restaurant.

6) **Franchisee's Insurance Obligations.**

a) At all times at Franchisee's expense, Franchisee must maintain comprehensive general liability insurance as required by the terms of the Franchise Agreement. Franchisee will cause the insurance companies to name SNS as an additional insured under any applicable insurance policy, and deliver copies of such policies to rebecca.willis@steaknshake.com. The insurance policy required pursuant to this section must:

i) Contain no provision which in any way limits or reduces coverage for Franchisor or SNS in the event of any claim by Franchisor, SNS or SNS's parent, subsidiaries and affiliates, and their respective officers, directors, employees, and insurers (collectively, the "Indemnified Parties").

ii) Provide indemnity for all obligations assumed by Franchisee, and all other items for which Franchisee is required to indemnify SNS under the provisions of this Agreement or otherwise; and

iii) Provide, by endorsement, that SNS is entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend such policy.

7) **Waiver of Claims by Franchisee.** As a condition to SNS providing the Services, Franchisee does hereby waive, release, remise and forever discharge the Indemnified Parties, of and from any and all claims, demands, causes of action, suits, debts, sums of money, damages, judgments, liabilities and obligations, both contingent and fixed, known and unknown, of every kind and nature whatsoever in law or equity, or otherwise, under local, state, or federal law, against any of them which the Franchisee can, shall, or may have, for, upon, or by reason of, any matter, cause, or thing whatsoever relating to the Services. Franchisee's indemnification obligations shall include claims made by the managers of Other Franchisees or Other Franchisees against Franchisor in any way related to the services performed by the managers of Other Franchisees in Franchisee's Restaurant, as Franchisor has no obligation to supervise the managers of Other Franchisees while they are working in Franchisee's Restaurant.

8) **Franchisee's Indemnity Obligations.** Franchisee shall defend, indemnify and hold harmless the Indemnified Parties from and against any third party claims, demands, loss, damage or expense relating to or resulting from the Services.

a) SNS is not responsible for, and Franchisee must indemnify SNS and all of the Indemnified Parties and hold the Indemnified Parties harmless from and against all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, without limit and without regard to the cause or causes thereof or SNS's negligence in the performance of the Services at Franchisee's Restaurant. The foregoing obligation includes:

i) All employment-related matters arising directly or indirectly from the SNS's Services at Franchisee's Restaurant, including matters arising under local, state and/or federal right-to-know laws, environmental laws, OSHA, EEOC laws (including without limitation Title VII of the Civil Rights Act of 1964, as amended, Equal Pay Act, Age Discrimination in Employment Act), laws governing sexual harassment), Family and Medical Leave Act, National Labor Relations Act, Americans with Disabilities Act (including without limitation those matters relating to employment, public access and public accommodation), WARN, ERISA, all laws governing wages and hours (including without limitation the Fair Labor Standards Act, prevailing wage rate, exempt and non-exempt status, child labor, and minimum wage and overtime matters), disclosed and undisclosed benefit plans, all other labor laws and causes of action;

ii) Any matters relating to the Services, including any damages, injuries, liabilities, personal injuries, deaths, workers' compensation, or other damages involving use of any of Franchisee's facilities, equipment, the use of Franchisee's machinery, facilities, equipment and/or vehicles, whether leased, rented borrowed, or owned; and

iii) Injuries occurring to any SNS Employee or managers of Other Franchisees while performing the Services.

iv) Any claims by Other Franchisees against Franchisor related to or arising from the Other Franchisee's loaning of employees to Franchisee, including Franchisees failure to provide a safe working environment for the managers of Other Franchisees or non-payment to Other Franchisees.

b) Franchisee's indemnification obligations shall survive the termination of this Waiver and Indemnity Agreement.

c) Franchisee's indemnity obligations set forth herein shall apply even if it is determined that the Indemnified Parties' negligence caused such loss, liability or expense, in whole or in part.

d) Franchisor agrees to give Franchisee reasonable notice of any event of which Franchisor becomes aware for which indemnification may be required and Franchisor may elect (but is not obligated) to direct the defense thereof. Franchisor may, in its reasonable discretion, take such actions as Franchisor deems necessary and appropriate to

investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of the Indemnified Parties provided however, that any settlement shall be subject to Franchisee's consent, which consent shall not be unreasonably withheld or delayed.

e) Franchisee's obligation to indemnify and defend the Indemnified Parties is separate and distinct from its obligation to maintain insurance under the provisions of Section 5 herein. No settlement of any claim against the Indemnified Parties shall be made by Franchisee which is in excess of the amount of insurance referred to in Section 5 or which would subject the Indemnified Parties to liability in any amount not covered by such insurance without the prior written consent of Franchisor.

9) **Intentionally Omitted.**

10) **Franchisee Acknowledgements**. Franchisee acknowledges that Franchisee has not been induced to enter into this Waiver and Indemnity Agreement by any representation or warranty not set forth in this Waiver and Indemnity Agreement and that SNS shall not be liable for any of Franchisee's loss of business, good will, profits, or other damages in any manner arising from the performance of the Services.

11) **General Provisions.**

a) This Waiver and Indemnity Agreement signed by both Franchisee and SNS contains the final, complete and exclusive expression of the agreements and understandings by and between the parties, and supersedes any prior or contemporaneous agreement, or representation or understanding, oral or written, by either Franchisee or SNS with respect to the Services.

b) A waiver or amendment of any provision of this Waiver and Indemnity Agreement will be valid and effective only if it is in writing and signed by an officer of both Franchisee and SNS. No waiver or any portion of this Waiver and Indemnity Agreement will operate to constitute a waiver of any other provision of this Waiver and Indemnity Agreement or the same provision of the Waiver and Indemnity Agreement to any other time. The failure of any party at any time to insist upon strict performance of any condition, promise, agreement or understanding will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same condition, promise, agreement or understanding at a future time.

c) If any provision of this Waiver and Indemnity Agreement is invalid for any reason, the remainder of this Waiver and Indemnity Agreement will not be affected and will remain in full force and effect in accordance with its terms.

d) This Waiver and Indemnity Agreement is governed by Indiana Law. All litigation involving this Waiver and Indemnity Agreement must be brought in the appropriate federal or state courts of competent jurisdiction in Marion County, Indiana. The prevailing party in any such litigation will be entitled to reimbursement of all of its reasonable attorney's fees including all costs of defense whether incurred at trial, in

settlement or during any appeal, paralegal expenses, travel, lodging and related costs, witness fees, and the costs of proof of facts, from the non-prevailing party.

e) Without limiting Franchisee's obligation to indemnify SNS under this Waiver and Indemnity Agreement, Franchisee and SNS each waive to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against the other. Franchisee and SNS also agree that, in the event of a dispute between Franchisee and SNS, the party making a claim will be limited to recovery of any actual damages it sustains.

f) Except as expressly provided otherwise in this Waiver and Indemnity Agreement, this Waiver and Indemnity Agreement may be modified only by written agreement signed by both Franchisee and SNS.

g) SNS will not, because of this Waiver and Indemnity Agreement or by virtue of any approvals, advice or services provided to Franchisee, be liable to any person or legal entity who is not a party to this Waiver and Indemnity Agreement. No other party has any rights because of this Waiver and Indemnity Agreement, except as specifically described in it.

h) The term "affiliate" means any person directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The term "person" includes individuals, corporations, partnerships and all artificial entities. The term "section" refers to a section or subsection of this Waiver and Indemnity Agreement.

i) All notices pursuant to this Agreement must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Franchisor notice address:
Steak n Shake Enterprises, Inc.
Attn. SVP Traditional Franchise
19100 Ridgewood Parkway, Suite 1200
San Antonio, TX 78259

Copy to: Legal Dept.
Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204

Franchisee: Address or email address for the Managing Owner set forth in Appendix A of the Franchise Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Waiver and Indemnity Agreement as of the _____day of _____ 202__

"Franchisee"
Click here to enter text.,
a Click here to enter text.

By: _____
Printed Name: Click here to enter text.
Title: Click here to enter text.

"Franchisor"
STEAK N SHAKE ENTERPRISES, INC.,
an Indiana Corporation

By:_____
Printed: _____
Title: _____

EXHIBIT A TO FORM OF WAIVER AND INDEMNITY AGREEMENT
DESCRIPTION OF SERVICES – IF FRANCHISEE OR SNS PROVIDES EMPLOYEES/MANAGERS AT THE FRANCHISEE'S RESTAURANT

1. SNS's managers: Identify operational issues and provide recommendations to Franchisee
2. Franchisee is responsible for cash and other financial transaction management
3. Franchisee is responsible for complete shiftly, daily, and weekly planning and administration, including:
    a. Shiftly labor management
    b. Inventory control
    c. Shiftly sales goals
    d. Associate staffing and discipline

With the exception of associate discipline, SNS will provide input on best practices.

4. Franchisee is responsible for overall responsibility to ensure exceptional radiance of the restaurant with input from SNS's managers on best practices.
5. SNS's managers provide guidance on best practice so that food appearance and quality meets specifications.
6. SNS's managers may demonstrate leading from the front.
7. SNS's managers may provide recommendations on food safety and cleanliness standards; however, Franchisee is responsible for all food safety and cleanliness, compliance with applicable laws and resolving any issues.
8. Franchisee is solely responsible for upholding all labor laws.
9. Franchisee has sole authority to terminate its associates in accordance with applicable laws. SNS's managers may provide concerns regarding Franchisee's employees' skills and performance as observed and recommendations for additional training.
10. Franchisee is responsible for planning, scheduling and overseeing activities to maintain the interior and exterior of the restaurant.
11. SNS's managers may perform the following items if Franchisee does not have a manager available. If Franchisee's manager is available, SNS's managers will provide guidance in these areas:
    a. Conducts shiftly huddles communicating expectations and goals with the Associates.
    b. Coordinate with Production Staff to ensure the proper amount of food is prepped and accurately prepared in a timely manner for the Guests.
    c. Communicates guest flow and service times throughout shift.
    d. Redeploy Associates as needed between front of the house and back of the house to ensure SNS service, product and environment.
    e. Communicates side work responsibilities and follow up.
    f. Model celebrating successes and learning.
    g. Recognize improved and top performance on a shiftly basis.
12. Franchisee is solely responsible for the recruiting, interviewing, hiring and training of hourly associates; however, SNS may provide general guidance on the skills and qualifications which are needed for a specific position.
13. Franchisee is solely responsible for recommending Associates for promotion or other changes in job status.
14. SNS's managers may partner with Franchisee's Service and Production Trainers to ensure effective execution of our station training program.

15. SNS's managers may provide recommendations for proper safety, sanitation and cleanliness procedural training and execution; however, safety, sanitation and cleanliness of the Restaurant remains Franchisee's obligation at all times.
16. SNS's managers may recommend Associate cross training.
17. SNS's managers may perform the following items if Franchisee does not have a manager available. If Franchisee's manager is available, SNS's managers will provide guidance in these areas:
    - Executes the 14 point walk on every scheduled shift;
    - SNS's managers may coach on smooth table management by coordinating appropriately with host and servers;
    - SNS's managers may coach on Pre, Performing and Post rush procedures;
    - SNS's managers may coach on proper execution of the Guest recovery process; and
    - Coach Associates on service and operational standards.
18. Franchisee is responsible for managing and directing subordinate associates during their shift; however, if a Franchisee manager is not available, a SNS manager may perform this function.
19. Franchisee has overall responsibility to ensure that all positions/stations are staffed as defined by the Labor Scheduling System; SNS's managers will provide guidance.
20. Franchisee is responsible for ensuring that each Guest's experience exceeds their expectations; SNS's managers will provide guidance.
21. Franchisee is responsible for ensuring a radiant restaurant and well groomed associates at all times; SNS's managers will provide guidance.

SNS cannot guarantee the effectiveness of implementation of recommendations made by its managers nor the results of their services since the skill level of Franchisee's employees and the leadership of Franchisee's management directly impact the product and overall guest experience.

Exhibit K License Agreement
To be executed simultaneously with the Franchise Agreement

License Agreement

This LICENSE AGREEMENT (the "**License Agreement**"), is executed by and between STEAK N SHAKE, LLC, an Indiana limited liability company (the "**Licensor**") and the Franchisee identified on the last page of this License Agreement (the "**Licensee**").

Recitals

1. The Licensee and Steak n Shake Enterprises, Inc. ("**Franchisor**") have simultaneously entered into a Unit Franchise Agreement of even date (the "**Franchise Agreement**") under which the Franchisor has granted to Licensee the right to operate a Steak n Shake By Biglari Restaurant ("**Restaurant**") at the Authorized Location stated therein.

2. The Licensor is the exclusive owner of all right, title and interest in and to, and/or has the right to use and grant this license for the use of, certain trademarks, service marks, trade names and other commercial symbols and related logos as set forth on **Exhibit A** hereto, including "Steak n Shake®" and "Steak n Shake By Biglari" together with such other trade names, trademarks, service marks, symbols, logos, distinctive names, and elements, trade dress, logos, designs, insignia or other items which may be designated and/or amended by the Licensor from time to time (collectively referred to as the "**Marks**").

3. The parties desire that the Licensee be permitted to use the Marks during the term of the Franchise Agreement, subject to the terms and conditions of this License Agreement and the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Licensor and the Licensee hereby agree as follows:

Agreement

ARTICLE 1. License

Section 1.1 License. Subject to the terms of this License Agreement, the Licensor hereby grants to the Licensee a non-exclusive license to use the Marks solely and exclusively in connection with the operation of the Restaurant, and in strict accordance with the terms of the Franchise Agreement, during the term of the Franchise Agreement.

Section 1.2 License Fee. The Licensee shall pay to the Licensor without demand as a license fee (the "**License Fee**") a sum equal to one percent (1%) of the Licensee's Gross Receipts (as defined in the most recently dated Franchise Agreement) from the operation of the Restaurant. The License Fee shall be due and payable each week (each, an Accounting Period"), and the first such Accounting Period shall begin on the Restaurant opening date and end on the following Sunday. As more fully described in the paragraph immediately below, the License Fee shall be paid to Licensor (or Franchisor) by electronic funds transfer on or before the Friday following the end of each Accounting Period, provided that such day is a Business Day. A "Business Day" means any day other than Saturday, Sunday or any national

holiday generally observed by U.S. banks. If the date on which such payments would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. The Licensor requires Licensee to pay the License Fee to Licensor via electronic funds transfer, and Licensee agrees that Licensor or Franchisor shall have the right to withdraw such funds from Licensee's designated bank account by electronic funds transfer ("EFT"). EFT withdrawals shall be drawn on the Friday of each week, and shall be in an amount equal to the License Fees due for the Accounting Period based on the Gross Receipts set forth on the Weekly Report (as defined in the Franchise Agreement) for the prior week. If the Weekly Report for the subject Accounting Period is subsequently determined by Licensor to be inaccurate, and reflects that the actual amount of the License Fees due were (i) more than the amount of the EFT processed by Licensor, then Licensor shall be entitled to withdraw additional funds through EFT from Licensee's designated bank account for the difference; or (ii) less than the amount of the EFT by Licensor, then Licensor shall either return the excess amount to Licensee, or credit the excess amount to the payment of Licensee's future License Fee obligations. Licensee shall, upon execution of this License Agreement or at any time thereafter at Licensor's request, execute such documents or forms as Licensor determines are necessary for Licensor to process EFT payments. Should any EFT payment not be honored by Licensee's bank for any reason, Licensee agrees that it shall be responsible for that payment plus a service charge applied by the bank, if any. Licensee further agrees that it shall at all times throughout the Term of this License Agreement maintain a minimum balance sufficient to cover the License Fees due for each Accounting Period in the Licensee's bank account against which such EFT payments are to be drawn. If the License Fees are not received when due, interest may be charged by Licensor in accordance with Section 2.5 below. Upon written notice to Licensee, Licensor may be required to pay such License Fees directly to Licensor in lieu of EFT, at Licensor's sole discretion.

Section 1.3 Use of Marks. During the Term of this Agreement, the Licensee agrees to use only the Marks Licensor designates and in the manner prescribed by Licensor, except as otherwise approved in writing by Licensor.

Section 1.4 Notification of Infringements and Claims. The Licensee shall notify the Franchisor under the terms of the Franchise Agreement and Licensor immediately of any apparent infringement of or challenge to the Licensee’s use of the Marks, or claim by any person of any right in the Marks, and the Licensee shall not communicate with any person other than the Licensor, Franchisor and their respective counsel in connection with any such infringement, challenge or claim. Licensor and/or Franchisor shall have sole discretion to take such action as such party deems appropriate and the right to exclusively control any litigation, Patent and Trademark Office action or other proceeding arising out of any infringement, challenge or claims relating to the Marks.

Section 1.5 Indemnification. The Licensor agrees to indemnify the Licensee against, and to reimburse the Licensee for, any and all costs or damages for which the Licensee is held liable in any proceeding arising out of its use of the Marks incurred by the Licensee in the defense of any such claim brought against it in any such proceeding, provided that the Licensee has timely notified the Licensor of such claim or proceeding and has otherwise complied with this License Agreement. If it becomes advisable at any time, in the Licensor’s sole discretion, for the Licensor and/or the Licensee to modify or discontinue use of the Marks, the Licensee agrees to comply therewith within a reasonable time after notice thereof by the Licensor, at the Licensee’s expense.

Section 1.6 Limitation on Use of Marks. Licensee agrees:

a) Licensee shall not use the Marks (or any derivative or portion thereof) as part of its corporate or other legal name. If required by applicable law, Licensee agrees to join Licensor in any application to enter Licensee as a registered or permitted user of the Marks with any appropriate government agency or entity. When this License Agreement terminates or expires, Licensor may immediately apply to cancel Licensee's status as a registered or permitted user and Licensee must consent in writing to such cancellation. Licensee must bear the expense of any of the foregoing recording activities.

b) The right and license of the Marks granted hereunder to Licensee is non-exclusive, and Licensor thus has and retains the rights, among others:

i. To use the Marks itself in connection with selling products and services;

ii. To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; and

iii. To develop and establish other systems using the same or similar Marks, or other Marks, and to grant licenses or franchises thereto without providing any rights therein to Licensee;

iv. To develop and establish other tradenames, service marks, trademarks, logos, emblems and indicia of origin which may be similar to the Marks and Licensor may exclude such other tradenames, service marks, trademarks, logos, emblems and indicia of origin from the Marks and, if so excluded, Licensee shall have no rights to such other tradenames, service marks, trademarks, logos, emblems and indicia of origin.

v. Notwithstanding the foregoing, during the Term of the Franchise Agreement, Licensor or its affiliated companies, shall not own or operate a Steak n Shake By Biglari Restaurant (as such terms are defined in the Franchise Agreement), and shall not grant to any third party a franchise to operate a Steak n Shake By Biglari Restaurant at any location within the Protected Area (as defined in the Franchise Agreement) or license to a third the right to use the Marks in connection with the operation of a Restaurant located within the Protected Area; provided, however, Licensor, Franchisor and/or its or their Affiliates shall have the right to operate and/or franchise to other parties the right to operate Steak n Shake By Biglari Restaurants and use the Marks at Captive Facilities (as defined in the Franchise Agreement) located within the Protected Area. Licensor retains the following rights, among others, on any terms and conditions Licensor deems advisable, and without granting Licensee any rights therein:

a. To offer, sell, distribute or otherwise provide, directly or indirectly, or license to others the right to sell or distribute, directly or indirectly, within and outside the Protected Area, any products or services,

including those products or merchandise bearing the Steak n Shake or Steak n Shake By Biglari tradename, from any location other than a restaurant, including but not limited to, sales made at or through retail or wholesale stores, supermarkets, grocery stores, convenience stores, temporary locations, portable carts, kiosks or trailers, catalogs, mail order or electronic means (for example, the Internet).

b. To sell, solicit, and direct advertising or promotional materials to customers or prospective customers located in the Protected Area;

c. To establish and operate, or license to others the right to establish and operate, Steak n Shake By Biglari Restaurants under the System and the Marks at any location outside the Protected Area (to the extent that such Steak n Shake By Biglari Restaurant is not located within any Development Area granted to Licensee pursuant to an Area Development Agreement);

d. Within the Protected Area, and notwithstanding any other provision hereof, to establish and operate restaurants or acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license to others the right to own and operate, restaurants, including without limitation, restaurants offering ground beef sandwiches, ice cream products or other products similar to those offered by Licensee under the System (as defined in the Franchise Agreement) and the Marks and notwithstanding such restaurant's actual or threatened impact on sales at the Restaurant operated pursuant to the Franchise Agreement; provided, however, such restaurants (unless operated in a Captive Facility) (as defined in the Franchise Agreement) shall not utilize the following trade names: "STEAK N SHAKE", "STEAK N SHAKE BY BIGLARI", "TAKHOMASAK, "IN SIGHT IT MUST BE RIGHT", and "FAMOUS FOR STEAKBURGERS".

(c) Licensee shall not use the Marks for the purpose of soliciting financing for the development of Steak n Shake By Biglari Restaurants without prior written approval from an officer of Franchisor.

Section 1.7 Substitution of Marks. If it becomes advisable at any time, in the Licensor's sole discretion, for the Licensor and/or Licensee to modify or discontinue use of any Marks, and/or use one or more additional, substitute Marks, or should licensor's license to use the Mark "Steak n Shake by Biglari" be terminated or expire, Licensee agrees to comply therewith within a reasonable time after notice thereof by the Franchisor, at the Licensee's expense.

ARTICLE 2. Term and Termination

Section 2.1 Term. The License shall be for a period ("Term") concurrent with the Franchise Agreement and any renewal thereof. Renewal of this License Agreement shall be subject to Licensee's meeting the requirements for renewal pursuant to its Franchise Agreement and upon renewal of Licensee's Franchise Agreement, Licensee will be required to execute Licensor's then-existing form of License Agreement.

Section 2.2 Termination of the License Agreement by Licensor. Licensee shall be deemed to be in default under this License Agreement, and all rights granted herein shall automatically terminate without notice to the Licensee, upon the occurrence of any of the following events:

a) Licensee fails to timely pay the Licensor (or Franchisor for the benefit of Licensor) all amounts due pursuant to this License Agreement, including but not limited to payment of the License Fee, when due; provided, however, that Licensor will not terminate this License Agreement for non-payment without giving Licensee the opportunity to make such payment within ten (10) days after receipt of written notice demanding such payment; provided, however, that Licensee will be entitled to only two (2) such notices in any twelve (12) month period under this License Agreement, and upon a third violation of this subsection in any twelve (12) month period, the Licensor may immediately terminate this License Agreement.

b) Licensee commits any of the following material defaults:

i. Licensee misuses or makes any unauthorized use of the Marks in violation of this Agreement and/or the Franchise Agreement, or commits any act which can reasonably be expected to materially impair the goodwill associated with the Marks and Licensor sends Licensee written notice of termination to Licensee; and/or

ii. Licensee defaults in the performance of any other term, condition or covenant contained herein which is not corrected within the time and under the conditions provided herein with respect thereto, unless Licensee promptly takes action to cure such default, and, within thirty (30) days after receipt of a notice from Licensor, succeeds in curing such default.

c) Licensee is in default under Article 11 of the Franchise Agreement beyond the cure period stated therein (if applicable).

Section 2.3 Termination by Licensee. This Agreement shall be deemed terminated if Licensee has the right and elects to terminate the Franchise Agreement pursuant to Section 11.1(C) following Franchisor's default under the Franchise Agreement and failure to cure within the time period set forth therein.

Section 2.4 Effect of Any Termination, Cancellation or Expiration of this License Agreement.

a) The Licensee, upon any termination, cancellation or expiration of this License Agreement, shall promptly pay to the Licensor any and all sums owed. In the event of termination

arising from Licensee's default under the terms of this License Agreement or the Franchise Agreement, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by the Licensor as a result of the termination.

b) Upon termination, cancellation or expiration hereof for any reason, or upon termination, cancellation or expiration of the Franchise Agreement, all the Licensee's rights hereunder shall terminate and the Licensee shall immediately and permanently cease any and all use of the Marks, or any simulation thereof.

Section 2.5 Interest on Late Payments. All amounts due Licensor under this License Agreement shall bear interest after the due date at the lesser of the highest legal rate permissible or 18 percent (18%) per annum. Licensee acknowledges that this Section 2.5 shall not constitute the Licensor's agreement to accept such payments after same are due or a commitment by the Licensor to extend credit to, or otherwise finance, Licensee's operation of the Restaurant. Further, Licensee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this License Agreement as provided in Section 2.2 herein.

ARTICLE 3. Assignment

Section 3.1 Assignment by the Licensor. The Licensor may assign its interests under this License Agreement upon written notice to the Licensee, and, upon the acceptance by the assignee of all the obligations of the Licensor hereunder, the Licensor will have no further obligations thereafter.

Section 3.2 Assignment by the Licensee. No part or all of the ownership of the Licensee may be voluntarily, involuntarily, directly or indirectly assigned, sold, subdivided, sublicensed, issued or otherwise transferred by the Licensee unless it is done in connection with an assignment of the Franchise Agreement in accordance with the terms thereof.

ARTICLE 4. MISCELLANEOUS

Section 4.1 Severability. If, for any reason, any section, part, term or provision herein is determined to be invalid or unenforceable, such determination shall not impair the operation or affect such other portions, sections, parts, terms or provisions of this License Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto.

Section 4.2 Entire Agreement. This License Agreement, together with Exhibit A, and the Franchise Agreement constitute the entire agreement of the parties.

Section 4.3 Written Approval, Non-Waiver, and Amendment.

a) Whenever this License Agreement requires the prior approval or consent of the Licensor, the Licensee shall make a timely written request therefore, and such approval shall be obtained in writing from an officer that the Licensor may designate from time to time.

b) No failure of either party to exercise any power reserved to it by this License Agreement or to insist upon strict compliance by the other party with any obligation or condition hereunder, and no custom or practice of the parties at variance

with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with any of the terms herein. Waiver by either party of any particular default by the other party shall not affect or impair the non-defaulting party's rights with respect to any subsequent default of the same, similar or different nature.

c) No amendment, change or variance from this License Agreement shall be binding on either party unless mutually agreed by the parties and executed in writing.

Section 4.4 Notices.

a) All notices pursuant to this Agreement must be in writing and sent to the designees listed below in the following manner: i) first class, United States Mail, postage prepaid; (ii) hand delivery; (iii) nationally recognized overnight courier service, or (iv) email with a confirmation of receipt. All notices shall be effective upon delivery to the mailing address or email address for such party as set forth herein (even if such addressee refuses delivery thereof). Either party may change its address and/or email address by giving notice in conformity with this provision. It is agreed that each party can send communications to the other party by email for the purposes of notices under this Agreement and/or to provide information to the other party by email, subject to any applicable laws.

Licensor:

Vice President, Franchising
STEAK N SHAKE, LLC
19100 Ridgewood Parkway, Suite 1200
San Antonio, TX 78259

With a copy to the attention of Legal Department:

STEAK N SHAKE, LLC
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

Licensee:

Managing Owner's mailing address and email address set forth in Appendix A of the Franchise Agreement

b) Unless otherwise instructed by the Licensor, all payments required to be made hereunder to the Licensor shall be made at the same time and in the same manner as payment of the Royalty and Service Fee, as set forth in Section 6.7 of the Franchise Agreement.

Section 4.5 Venue/Dispute Resolution. ANY AND ALL ACTIONS AND OTHER LEGAL PROCEEDINGS ARISING UNDER THIS LICENSE AGREEMENT OR OTHERWISE AS A RESULT OF THE PARTIES' RELATIONSHIP SHALL BE FILED AND MAINTAINED ONLY IN A STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF INDIANA, AND THE PARTIES HEREBY

CONSENT, AND WAIVE ANY OBJECTIONS THEY MIGHT HAVE, TO THE JURISDICTION OF AND VENUE IN SUCH COURTS FOR THE PURPOSE OF RESOLUTION OF ANY SUCH DISPUTES. Licensee and Licensor acknowledge that the parties' agreement regarding applicable state law and forum set forth in this License Agreement provide each of the parties with the mutual benefit of uniform interpretation of this License Agreement and any dispute arising out of this License Agreement or the parties' relationship created by this License Agreement. Each of Licensee and Licensor further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the above, Licensee agrees that Licensor may enforce this License Agreement in the courts of the state in which Licensee's Restaurant is located. The Licensor reserves the right to institute at any time a system of nonbinding mediation. Any mediation under this License Agreement shall be held in a forum in the City of Indianapolis, State of Indiana. The Licensee will be obligated to participate in such mediation, at the Licensor's request, in the event of a dispute. Licensee agrees that any proceeding will be conducted on an individual, not a class-wide, basis, and that a proceeding between the Licensor and Licensee may not be consolidated with another proceeding between Licensor and any other person or entity, nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between Licensor and Licensee.

Section 4.6 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this License Agreement, the franchise, and all claims arising from the relationship between Licensee and the Licensor will be governed by the laws of the State of Indiana, without regard to its conflict of laws rules, except that any Indiana law regulating the offer and sale of franchises or governing the relationship between a franchisor and its Licensee will not apply unless its jurisdictional requirements are met independently without reference to this Section. Licensee and Licensor acknowledge that the parties' agreement regarding applicable state law and forum set forth in the sections above provide each of the parties with the mutual benefit of uniform interpretation of this License Agreement and any dispute arising out of this License Agreement or the parties' relationship created by this License Agreement. Licensee and Licensor further acknowledge the receipt and sufficiency of mutual consideration for such benefit.

Section 4.7 Costs and Attorneys' Fees. The party prevailing in any proceeding to enforce this License Agreement or cure any default thereof shall be entitled to reimbursement of its costs and expenses, including reasonable legal fees.

Section 4.8 Waiver of Punitive Damages and Jury Trial. To the fullest extent permitted by law, the parties waive any right to, or claim for, any punitive or exemplary damages against the other party. The parties also agree that, in the event of a dispute between them, the party making a claim will be limited to recovery of actual damages, if any. In addition, the parties irrevocably waive trial by jury in any action, proceeding, and/or counterclaim brought by either party.

Section 4.9 Multiple Counterparts. This License Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together constitute one and same instrument.

ARTICLE 5. STEAK N SHAKE BY BIGLARI

Section 5.1 Indemnification.

a) Licensee agrees to obtain, or cause to be obtained during the Term of this Agreement, insurance which provides personal injury and property damage and product liability coverage for any and all claims, suits, losses and damages arising out of any Licensee's use of the Marks, including but not limited to the operation of the Restaurant, including coverage for any claims, suits, losses or damages arising out of negligence concerning the operation of the Restaurant, from an insurance company, acceptable to Licensor. The coverage for each occurrence shall be at least Five (5) Million ($5,000,000) Dollars with the deductible or self-insurance retention not greater than $100,000. Licensor and Master Licensor shall be named as an additional insured and shall receive notice of any cancellation of insurance from the insurance carrier not less than thirty (30) days prior to the effective date of such cancellation.

b) Licensee shall defend, indemnify and hold Licensor and Master Licensor harmless from and against any and all demands, claims, losses, damages, fines, assessments, costs, and liability by reason of premise liability, failure to comply with any applicable law or regulation, or arising in any way from Licensee's operation of the Restaurant.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this License Agreement effective as of the Effective Date of the Franchise Agreement for the Authorized Location indicated below.

REMAINDER OF PAGE INTENTIONALLY BLANK

LICENSE AGREEMENT SIGNATURE PAGE

Franchisee: **Click here to enter text.**

Authorized Location: **Click here to enter text.**

"Licensee"
Click here to enter text.,
a Click here to enter text.

By:_____
Name: Click here to enter text.
Title: Click here to enter text.

"Licensor"
Steak n Shake, LLC
an Indiana limited liability company

By:_____
Printed: _____
Title: _____

EXHIBIT A

MARKS

Trademark	Serial Number	Reg. Number	Reg. Date
3-D GRILLED CHEESE STEAKBURGER	85490874	4335795	5/14/2013
4 MEALS UNDER $4	77718749	3759549	3/9/2010
BANOCOLATE	78445412	2992304	9/6/2005
BREAKFAST SHOOTERS	85902855	4436462	11/19/2013
CALIFORNIA DOUBLE STEAKBURGER	85347660	4094821	1/31/2012
DELICIOUSLY INDULGENT	85904362	4432550	11/12/2013
FAMOUS FOR STEAKBURGERS	75594351	2370185	7/25/2000
FAMOUS FOR STEAKBURGERS	73299351	1272197	3/27/1984
FAXASAK	74542241	1911807	8/18/1995
GENUINE CHILI	85904411	4535967	5/27/2014
GOLDIE	85071154	4123849	4/10/2012
HOME OF THE ORIGINAL STEAKBURGER	86760033	5071293	11/1/2016
HUNGER WISELY	85938577	4544973	6/3/2014
IN SIGHT IT MUST BE RIGHT	75594510	2272454	8/24/1999
IN SIGHT IT MUST BE RIGHT	72407859	948362	12/5/1972
JUST NO EQUAL	85304867	4158938	6/12/2012
MISCELLANEOUS DESIGN (STOREFRONT)	75460333	2294116	11/23/1999
MISCELLANEOUS DESIGN (STEAKBURGER PHONE)	85480303	4280921	1/22/2013
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	75594502	2270887	8/17/1999

Trademark	Serial Number	Reg. Number	Reg. Date
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	75369325	2222496	2/9/1999
MISCELLANEOUS DESIGN (WING & CIRCLE LOGO)	71567054	581433	10/27/1953
ORIGINAL DOUBLE STEAKBURGER	77162163	3589618	3/17/2009
ORIGINAL STEAKBURGERS	76011592	2435279	3/13/2001
ROYALE STEAKBURGER	85157126	3981161	6/21/2011
SHAKER	85071152	4136094	5/1/2012
SIDE-BY-SIDE	78399426	3172089	11/14/2006
SIGNATURE STEAKBURGER	85490877	4196165	8/21/2012
SIGNATURE STEAK FRANKS	85902986	4492763	3/4/2014
SIZZLE	85071144	4123848	4/10/2012
SPECIALTY SHOOTERS	85902890	4439875	11/26/2013
STEAK FRANKS	85904378	4408869	9/24/2013
STEAK N SHAKE	85151831	4069566	12/13/2011
STEAK N SHAKE	75593104	2270886	8/17/1999
STEAK N SHAKE	72267994	843430	1/30/1968
STEAK N SHAKE	72267995	837229	10/17/1967
STEAK N SHAKE BY BIGLARI	85943274	4553092	6/17/2014
STEAK N SHAKE FAMOUS FOR STEAKBURGERS	85894441	4450564	12/17/2013
STEAK N SHAKE FAMOUS FOR STEAKBURGERS	75594318	2302158	12/21/1999
STEAK 'N SHAKE FAMOUS FOR STEAKBURGERS	75337193	2233542	3/23/1999
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	71694750	680071	6/9/1959

Trademark	Serial Number	Reg. Number	Reg. Date
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	73040869	1045867	8/10/1976
STEAK N SHAKE IN SIGHT IT MUST BE RIGHT	71694749	0649868	8/6/1957
STEAK N SHAKE IT'S A MEAL	75521749	2259584	7/9/1999
STEAK N SHAKE SIGNATURE	85234686	4136596	5/1/2012
STEAKBURGER PHONE	85480182	4243791	11/13/2012
STEAKBURGER SHOOTERS	77671406	3854484	9/28/2010
STEAKBURGER SLINGER	85902862	4436463	11/19/2013
STRAWNILLA	78445415	2989676	8/30/2005
TAKHOMACARD	78319790	2951481	5/17/2005
TAKHOMASAK	75521721	2259583	7/6/1999
THE ORGANIC SIGNATURE STEAKBURGER	85904240	4503399	3/25/2014
THE ORIGINAL DOUBLE 'N CHEESE	85178247	4017371	8/23/2011
THE ORIGINAL STEAKBURGER	76152863	2586843	6/25/2002
THE ORIGINAL STEAKBURGER	77128758	3589597	3/17/2009
THE ORIGINAL STEAKBURGER	85578209	4253180	12/4/2012
THE ORIGINAL STEAKBURGER SHOOTER	86292494	5105420	12/20/2016
UP ALL NIGHT	85902996	4432546	11/12/2013
VANOCOLATE	85178202	3970768	5/31/2011

EXHIBIT L - STEAK N SHAKE
EYES WIDE OPEN
COMPLIANCE CERTIFICATION

TO BE COMPLETED BY THE FRANCHISEE'S PRINCIPAL OWNERS,
SIGNED AND RETURNED TO FRANCHISOR WITH THE AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT

You, as an individual owner, or shareholder, owner, partner, or member of the franchise entity ("**Franchisee**") or "you" and Steak n Shake Enterprises, Inc. (the "**Franchisor**") are preparing to enter into a Franchise Agreement and/or Area Development Agreement for the development and operation of a "Steak n Shake By Biglari" franchised restaurant (a "**Restaurant**"). We refer to the Franchise Agreement and Area Development Agreement as the "Franchise Agreement." The purpose of this Questionnaire is to confirm that you have reviewed the Franchise Agreement in its entirety and agree to all of the terms contained therein.

Please review each of the following questions and statements carefully and provide honest and complete responses to each. We are relying on your answers to the following questions in deciding whether to grant you **the right to own and operate a Steak n Shake By Biglari Restaurant.**

1. Do you understand that the Franchisor retains the right to determine the maximum, minimum, or other prices for all menu items and products offered and sold by Steak n Shake By Biglari Restaurants and mandatory promotions and you will be required at all times to comply with Franchisor's pricing and promotions in all respects regardless of your particular circumstances?

Yes ☐ No ☐

2. Do you understand that: (a) you must strictly adhere to and follow Franchisor's menu specifications, including standardized pricing requirements, uniformity of food and beverage specifications, preparation methods, quality and appearance; and uniformity of facilities and service; (b) your adherence to such requirements is critical to brand positioning and the success of the entire chain of Steak n Shake By Biglari Restaurants; and (c) your failure to comply with menu specifications, including standardized pricing requirements, may result in termination of the Franchise Agreement?

Yes ☐ No ☐

3. Do you understand that you and Franchisee must use only the Designated Menus in the operation of the Restaurant and may not alter the Designated Menus in any respect?

Yes ☐ No ☐

4. Do you understand that Franchisee is prohibited from using the Steak n Shake By Biglari trademarks and related marks in connection with the advertising, offer or sale of any product or service that Franchisor has not approved for offer or sale in your Restaurant or at any price that is not in compliance with any pricing policies established by Franchisor, and that your use of the

trademarks in that manner will not only be a violation of the Franchise Agreement but also an infringement of Franchisor's and its affiliates' rights in and to the trademarks?

Yes ☐ No ☐

5. Do you understand that the Franchisor retains the right to require you to use specific vendors for products and services and that those vendors may include Franchisor and/or its affiliates?

Yes ☐ No ☐

6. Do you understand that the Franchisor currently charges a Design Review Fee of $1,000 for each time Franchisor or its affiliates reviews any proposed changes to Franchisor's prototypical restaurant designs?

Yes ☐ No ☐

7. Do you understand that the Franchise Agreement requires that you pay the Franchisor a Royalty and System Fee of 4% of Gross Receipts & a License Fee of 1% of Gross Receipts without exception?

Yes ☐ No ☐

8. Do you understand that the Franchise Agreement requires that you pay for, install and maintain at your expense the high resolution camera monitoring system which provides Franchisor with real-time remote access via the Internet to all of those areas of the Restaurant designated by Franchisor for which there is only one approved vendor and contract with a third party for upload broadband network connectivity (minimum 10Mb) ?

Yes ☐ No ☐

9. Do you understand that the Franchise Agreement contain restrictions on your use of Confidential Information and your ability to disclose Confidential Information to third parties, as well as restrictions regarding public statements and communications with the media, and that any failure (whether intentional or accidental) by you and/or other Owners to comply with these restrictions shall constitute a material event of default and the Franchisor may immediately terminate the Franchise Agreement without any notice to you or opportunity to cure?

Yes ☐ No ☐

10. Do you agree that you received and personally reviewed Franchisor's Franchise Disclosure Document ("FDD") at least 14 calendar days before you signed any agreements with Franchisor or paid any money or other consideration to Franchisor and/or its affiliates? If you are a prospect in NY the earlier of first personal meeting or 10 business days before signing a binding

agreement or making a payment or if a prospect in Michigan 10 business days before signing a binding agreement or making a payment)?

Yes ☐ No ☐

11. Do you agree that you received the final Franchise Agreement with all blanks completed at least seven (7) calendar days before completing this Compliance Certification and before signing any agreement with Franchisor or any of its affiliates?

Yes ☐ No ☐

12. Have you received and personally reviewed the Franchise Agreement and each related agreement attached to it?

Yes ☐ No ☐

13. Do you understand all of the information contained in the Franchise Agreement and each related agreement provided to you?

Yes ☐ No ☐

If no, what parts of the Franchise Agreement and/or related agreement do you not understand? (Please provide information in space below, attach additional page, as needed.)

_____

_____

_____

14. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including designated locations or states for mediation and any judicial proceedings, a waiver of a jury trial, and other waivers and limitations?

Yes ☐ No ☐

15. Do you understand all of the information contained in the FDD and any state-specific disclosures and/or state-specific addendums included in the FDD?

Yes ☐ No ☐

If No, what parts of the FDD and/or state-specific disclosures and/or state-specific addendums do you not understand? (Please provide information in space below, attach additional page, as needed).

_____

_____

16. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a Steak n Shake By Biglari Restaurant as a franchised business?

Yes ☐ No ☐

If No, do you wish to have more time to do so? Yes ☐ No ☐

17. Do you understand that buying a franchise is not a guaranty of success and that the success or failure of your franchised Steak n Shake By Biglari Restaurant will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ☐ No ☐

18. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the actual or possible revenues, profits or operating costs of a Steak n Shake By Biglari Restaurant operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes ☐ No ☐

19. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the amount of money you may earn in operating the Steak n Shake By Biglari Restaurant as a franchised business?

Yes ☐ No ☐

20. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the costs you may incur in operating the Steak n Shake By Biglari Restaurant, that is contrary to or different from, the information contained in the FDD?

Yes ☐ No ☐

21. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes ☐ No ☐

22. Do you understand that any territorial rights you may have been granted are subject to limitations and exceptions?

Yes ☐ No ☐

23. Respond below to each applicable paragraph, as indicated:

(a) Applicable: ☐ Yes ☐ No

(a) Do you understand that Franchisor and its affiliates retain the right, directly or through others, to develop and franchise other similar franchises (but not under the "Steak n Shake By Biglari" name) inside or outside of your Protected Area and/or Development Area; and/or to **develop and franchise other Steak n Shake By Biglari Restaurants outside of your Protected Area and/or Development Area; and/or to** operate Steak n Shake By Biglari Restaurants at Captive Facilities located within your Protected Area and/or Development Area?

Yes ☐ No ☐

(b) Applicable: ☐ Yes ☐ No

(b) Do you understand that you are not being granted any Protected Area and Franchisor and its affiliates retain (among other rights) the right, directly or through others, to develop and operate and/or franchise to others the right to operate Steak n Shake Restaurants in close proximity to your Authorized Location?

Yes ☐ No ☐

24. Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be heard in the courts of Indiana (if not resolved informally or by mediation) unless your state's franchise laws require that such state's laws apply?

Yes ☐ No ☐

25. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise for the Steak n Shake By Biglari Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes ☐ No ☐

26. If you have answered "Yes" to any of questions 18-21, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 18-21, then please leave the following lines blank.

27. Do you understand that the Franchise Agreement requires that you submit all required financial reports in strict compliance with the Franchisor's chart of accounts and to contract with an approved bookkeeping services provider?

Yes ☐ No ☐

28. Do you understand that you may not make an offer of employment to the General Manager or Restaurant Manager without first obtaining Franchisor's prior written consent that the foregoing individuals meet Franchisor's criteria and that for a Quick-Service Restaurant, the General Manager's total compensation (salary, bonus, and fringe benefits) must meet Franchisor's minimum requirement of $70,000 annually?

Yes ☐ No ☐

29. Do you understand that you will be required to hire and train a sufficient number of managers to comply with the Franchisor's minimum requirements?

Yes ☐ No ☐

EYES WIDE OPEN COMPLIANCE CERTIFICATION SIGNATURE PAGE

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

PRINCIPAL OWNER(S) FOR FRANCHISEE APPLICANT:

Signed: _____

Printed Name: Click here to enter text.

Date of signature: __ day of _____, 202___

Signed: _____

Printed Name: Click here to enter text.

Date of signature: __ day of _____, 202___

Signed: _____

Printed Name: Click here to enter text.

Date of signature: __ day of _____, 202___

Signed: _____

Printed Name: Click here to enter text.

Date of signature: __ day of _____, 202___

Signed: _____

Printed Name: Click here to enter text.

Date of signature: __ day of _____, 202___

EXHIBIT M
RECEIPT

(Franchisor Copy – Sign and Return)

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 Steak n Shake Enterprises, Inc. offers you a franchise, Steak n Shake Enterprises, Inc. must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to Steak n Shake Enterprises, Inc. or an affiliate in connection the proposed franchise sale.

New York requires that Steak n Shake Enterprises, 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 and Oregon require that Steak n Shake Enterprises, Inc. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the paymenEt of any consideration, whichever occurs first.

If Steak n Shake Enterprises, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state franchise agency listed in Exhibit A.

The Franchisor is: Steak n Shake Enterprises, Inc., 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204, (877) 747-5329. The franchise seller(s) for this Steak n Shake franchise are:

Shawn Biglari _____Brian Bovey _____ Shane Norman _____ Daniel Edwards

Other: _____
(Please check names and complete as applicable).

ISSUANCE DATE: May 8, 2026

Franchisor authorizes the respective state agencies identified on **Exhibit B** to receive service of process for it in the particular state.

I have received a disclosure document dated that included the following exhibits:

A. List of State Franchise Administrators

B. List of Agents for Service of Process

C. Lists of Franchised and Former Franchised Restaurants

D. Steak n Shake Inc.'s Guarantee of Performance

E. Sample Mutual Release

F. Form of Confidentiality Agreement

G. For Consolidated Financial Statements of Steak n Shake Inc. as of December 31, 2025 and December 25, 2024 and for the fifty-three weeks ended December 31, 2025, and for the fifty-two weeks ended December 25, 2024, and December 27, 2023 and Independent Auditor's Report see attached Exhibit G.

H. State Specific Disclosures and State Specific Addendums to Agreements

I. Area Development Agreement (if applicable)

J. Unit Franchise Agreement and Appendices/exhibits

K. License Agreement

L. Eyes Wide Open Compliance Certification

M. Receipts

Date: _____
(do not leave blank)

Signature: _____
Printed Name: _____

Please sign this copy of the receipt, date your signature, and return it to Attn. Rebecca Willis, Steak n Shake Enterprises, Inc., via email: rebecca.willis@steaknshake.com, or via Fax: (317) 633-5455 or by mail to 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204

EXHIBIT M
RECEIPT

(Your copy)

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 Steak n Shake Enterprises, Inc. offers you a franchise, Steak n Shake Enterprises, Inc. must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to Steak n Shake Enterprises, Inc. or an affiliate in connection the proposed franchise sale.

New York requires that Steak n Shake Enterprises, 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 and Oregon require that Steak n Shake Enterprises, Inc. give 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 Steak n Shake Enterprises, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state franchise agency listed in Exhibit A.

The Franchisor is: Steak n Shake Enterprises, Inc., 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204, (877) 747-5329. The franchise seller(s) for this Steak n Shake franchise are:

_____ Shawn Biglari _____ Brian Bovey _____ Shane Norman _____ Daniel Edwards

Other: _____

(Please check names and complete as applicable).

ISSUANCE DATE: May 8, 2026

Franchisor authorizes the respective state agencies identified on **Exhibit B** to receive service of process for it in the particular state.

I have received a disclosure document dated that included the following exhibits:

A. List of State Franchise Administrators

B. List of Agents for Service of Process

C. Lists of Franchised and Former Franchised Restaurants

D. Steak n Shake Inc.'s Guarantee of Performance

E. Sample Mutual Release

F. Form of Confidentiality Agreement

G. For Consolidated Financial Statements of Steak n Shake Inc. as of December 31, 2025 and December 25, 2024 and for the fifty-three weeks ended December 31, 2025, and for the fifty-two weeks ended December 25, 2024, and December 27, 2023 and Independent Auditor's Report see attached Exhibit G.

H. State Specific Disclosures and State Specific Addendums to Agreements

I. Area Development Agreement (if applicable)

J. Unit Franchise Agreement and Appendices/exhibits

K. License Agreement

L. Eyes Wide Open Compliance Certification

M. Receipts

Date: _____ Signature: _____
(do not leave blank)
Printed Name: _____

KEEP THIS COPY FOR YOUR RECORDS.