

FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE PARTNER PROGRAM FOR EXISTING COMPANY RESTAURANTS

Steak n Shake Enterprises, Inc. (an Indiana Corporation)
107 South Pennsylvania St., Suite 400
Indianapolis, Indiana 46204
Tel. (317) 633-4100
www.steaknshake.com



The franchisee will operate a franchised Steak 'n Shake Restaurant which is a quick-service restaurant specializing in premium burgers and milkshakes (referred to as "Steak 'n Shake Restaurants," the "Steak 'n Shake By Biglari Restaurants," or the "Restaurants").

The total initial cash investment by you is \$10,000. The total investment necessary to begin operation of a franchised Steak 'n Shake Restaurant ranges from \$259,336 - \$997,942. The total investment includes \$10,000 that is paid by you with the remaining investment funded through Restaurant operations.

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.**

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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 “I-1 and I-2”.
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 “I-1 and Exhibit “I-2” 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 J 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.

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EXHIBITS:

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT J.

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Steak n Shake Enterprises, Inc. (“we,” “us,” “our,” and “SNS Enterprises”). The person who is granted a franchise and becomes a franchisee is referred to as “you” or “Franchise Partner” throughout this Disclosure Document. We will only enter into a franchise agreement with an individual, and not a partnership, corporation, or limited liability company. However, we will allow you to assign the franchise agreement to a business entity if you comply with the transfer provisions of the franchise agreement, including that you guarantee the obligations of the business entity and agree to remain liable under the applicable provisions of the franchise agreement. “You” in this Disclosure Document will generally refer to both the individual and the entity.

SNS Enterprises was incorporated in Indiana on December 9, 2005 and is a wholly-owned subsidiary of Steak n Shake Inc. (“Parent”). Until December 2005, our Parent sold Steak n Shake franchises but, in connection with a reorganization, our Parent transferred the franchise business to SNS Enterprises which is the only entity that franchises Steak n Shake By Biglari Restaurants in the United States. Our Parent currently owns and operates certain Steak ‘n Shake and Steak ‘n Shake By Biglari company-operated restaurants (referred to as the “Company-owned Steak ‘n Shake Restaurants,” the “Company-owned Steak ‘n Shake By Biglari Restaurants,” or the “Company-owned 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.

Our affiliate, Steak n Shake, LLC (“Licensor”), another wholly-owned subsidiary of our Parent, owns the trademarks, service marks, trade names, commercial symbols and related logos, distinctive names, and elements, trade dress, designs, and insignia (including the trademarks “STEAK N SHAKE®” and Steak n Shake By Biglari), 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”). Under the License Agreement attached as Exhibit E to this Disclosure Document, the Licensor will license or sublicense directly to you (“Licensee” under the License Agreement) 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.

A list of our agents for service of process in various states is contained in Exhibit B to this Disclosure Document.

Steak ‘n Shake’s Business and the Franchise Offering: Steak ‘n Shake’s principal business is the operation and development of a chain of quick-service Restaurants specializing in premium burgers and milkshakes. These Restaurants are operated by either our Parent, franchisees who entered the system as full investment franchisees, or other Franchise Partners. Steak ‘n Shake Restaurants are established in free-standing locations (“free-standing units”) as well as in non-free-standing locations, such as in-line units. In-line units are generally located in shopping areas and may feature and serve only a limited number of menu items and provide limited service. There are some differences between the contractual relationships established for each type of unit described above, which are noted as required in this Disclosure Document.

Steak 'n Shake Restaurants are established and operated according to a unique and distinctive system that we and our Parent have developed (the "System"). 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" or "Steak 'n Shake By Biglari" names and marks and certain other Marks that we, our affiliates, or the Licensor, have designated, or may in the future designate, for use with the System. We, our affiliates, and/or the Licensor may modify the Marks used to identify the System from time to time.

We currently offer a full-investment franchise opportunity to develop new Steak 'n Shake Restaurants under a separate Disclosure Document. In this 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 this Disclosure Document and the accompanying Exhibits. Those terms differ from the terms that apply to the offer of a franchise for a full-investment Steak 'n Shake Restaurant. 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 business¹. We seek prospective Franchise Partners 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.

If you are applying for a Franchise Partner franchise and you are not a Steak 'n Shake employee, you must enter into the Initial Training Agreement (Exhibit K to this Disclosure Document) as part of our qualification process. The Initial Training Agreement allows you to participate in the Steak 'n Shake Franchise Partner initial training program. The initial training program includes our Management Development Program and in-restaurant execution training, including the achievement of certain metrics of restaurant performance that we determine in our sole discretion, including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover. You must complete the initial training program to our satisfaction as a condition to qualifying for a franchise. Under the Initial Training Agreement, Steak 'n Shake may remove you from the initial training program for any reason or no reason at all, and you may withdraw from the initial training program at any time. You will not be

¹ Third-party Franchise Partners (individuals who have not been an employee of our Parent for the immediately preceding 6 months) must pay an Initial Deposit of \$10,000 upon signing the Initial Training Agreement. Such Initial Deposit shall be applied to satisfy the initial franchise fee when the Franchise Agreement is signed. Franchise Partners who have been Steak 'n Shake employees for at least 6 months immediately preceding the execution of the Franchise Agreement (each, a "Former Employee") will enter into the Former Employee Amendment to the Franchise Agreement attached to this disclosure document as Exhibit C-1 and, under the Amendment, will pay the initial franchise fee in installments over the first year of the Franchise Agreement. In the event that the Franchise Agreement is terminated within the first year then the unpaid amount of the initial franchise fee shall be paid within fifteen (15) calendar days following the termination of the Franchise Agreement.

compensated during your training and will not be an employee of Steak 'n Shake or of any Steak 'n Shake's franchisee. There is no guarantee that you will be offered a Steak 'n Shake franchise.

If you are applying for a Franchise Partner franchise and you are a Steak 'n Shake employee, you will not be required to enter into an Initial Training Agreement. However, to qualify for a franchise, you must have successfully completed our initial training program, including our Management Development Program and in-Restaurant execution/skills validation training. You also must have demonstrated your leadership ability to run a Restaurant and meet certain metrics of restaurant performance that we determine in our sole discretion, including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover. There is no guarantee that you will be offered a Steak 'n Shake franchise.

The Company-Owned Steak 'n Shake Restaurants Offered: A Steak 'n Shake Restaurant is a self-service restaurant with its primary products being premium burgers and milkshakes. The Company-owned Restaurants that are the subject of this Disclosure Document are operated under the current Steak 'n Shake format or are under the process of being converted to the quick-service format. The format features our full menu, operates at a minimum of 12 hours per day / 7 days per week, in primarily free-standing locations with a dining area with approximately 75 seats, along with drive-thru, delivery and carry-out service.

Description of the Franchise Opportunity: Our franchise relationship with Franchise Partners is governed and defined by a written franchise agreement, including its attached exhibits, which is referred to in this Disclosure Document as the "Franchise Agreement." In order to become a Franchise Partner, you will be required to sign the Franchise Agreement (Exhibit C) and the relevant appendices, including the Lease or Sublease described below. Former Employees will also be required to sign the Former Employee Amendment to the Franchise Agreement (Exhibit C-1). Under the New Franchisee Incentive Program Amendment to the Franchise Agreement (Exhibit C-2), we offer both Former Employee and Third-party Franchise Partners certain financial incentives as further described in Note 10 to Item 6. You must operate your Steak 'n Shake Restaurant in strict accordance with Steak 'n Shake's standards and specifications and comply with the requirements governing the occupancy of the Restaurant premises. The forms of Franchise Agreement Steak 'n Shake has used in the past for other offerings and in other states may have terms and conditions different from the current form Steak 'n Shake offers to you. Steak 'n Shake reserves the right to revise the form and terms of the Franchise Agreement (including the Lease and Sublease) that Steak 'n Shake offers in the future.

We currently offer to our corporate employees a \$5,000 referral fee to encourage our corporate associates to recruit new Franchise Partners. The Franchise Partner Referral Program is subject to certain terms, conditions and restrictions. We may change or terminate the Franchise Partner Referral Program at any time at our sole discretion.

The premises of your Steak 'n Shake Restaurant will either be: (i) owned by Steak n Shake Properties Inc., a wholly owned subsidiary of our Parent, (ii) leased to our Parent under a prime lease, or (iii) leased to our Parent under a ground lease, with our Parent owning the building located on the premises subject to the ground lease. The appendices to the Franchise Agreement include a Lease Agreement ("Lease"), which you will sign if Steak n Shake Properties Inc. owns the Restaurant premises, and a Sublease Agreement ("Sublease"), which you will sign if the premises is leased to our Parent under either a prime lease or a ground lease. Any prime lease or ground lease that is applicable to the premises will be attached to, made a part of, and incorporated by reference into the Sublease for the particular Steak 'n Shake Restaurant. Except where it is necessary to distinguish between the Lease and Sublease, use of the term "Lease" in this Disclosure Document includes both the Lease and the Sublease. The Lease is made a part of and incorporated by reference into your Franchise Agreement and governs your occupancy of the Restaurant premises under the Franchise Agreement. During the term of your Franchise Agreement, your ability to offer certain menu items, use certain signage, engage in certain promotions or marketing efforts, or have certain physical restaurant layouts or premises features could be restricted or changed pursuant to the Lease (and, as applicable, any underlying prime lease or ground lease) for your Steak 'n Shake Restaurant, as may be amended or changed.

The Lease includes provisions under which our Parent also leases to you the furniture, fixtures, and equipment located at the premises of the Company-owned Restaurant (“Equipment Lease”). While specific items vary, the items leased by our Parent to each Franchise Partner typically include restaurant equipment, dining area furniture and fixtures, and other items necessary to operate the Steak ‘n Shake Restaurant.

You will be the direct employer of all employees of your Steak ‘n Shake Restaurant. You will have full authority to direct your employees in their day-to-day job duties, and you will be solely responsible for all payroll costs and all employment-related decisions regarding hiring, firing, promoting, and/or demoting employees and disciplinary matters.

In addition to the Franchise Agreement and Lease, you will enter into the License Agreement with the Licensor. The License Agreement allows you to use the Marks we, our affiliates, or the Licensor authorize for use by Restaurants operating under the Steak ‘n Shake System.

Franchise Partners will be granted the right to operate only one Company-owned Restaurant as a franchise.

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. You will compete with other restaurants located near your Steak ‘n Shake Restaurant, including possibly other Steak ‘n Shake Restaurants located or marketing in the geographic vicinity of your Steak ‘n Shake Restaurant.

Regulation:

Your Steak ‘n Shake Restaurant and business will be subject to laws, rules and regulations affecting businesses generally. You will be required to comply with all such laws, rules and regulations that apply to businesses generally, including, without limitation, public health laws, laws regulating the storage, preparation, labeling and sale of food and beverages to the public, food safety and sanitation laws, tax laws and regulations, labor, employment, and wage and hour laws and regulations, insurance laws and regulations, privacy laws, regulations, and industry standards, business licensing requirements, immigration and homeland security laws, restrictions against smoking in public places and restaurants, the public posting of notices regarding nutritional information, health hazards, fire safety, general emergency preparedness, rules regarding the proper use, storage and disposal of waste materials, insecticides, and other hazardous materials, standards regarding employee health and safety, sexual harassment laws and any other federal, state and local regulations and ordinances which may be in effect. As a food service business, your Steak ‘n Shake Restaurant and business may be subject to additional laws, rules and regulations regarding the sale or packaging of products, refuse and sanitation standards and procedures for waste materials and packaging, nutritional claims or other types of advertising, menu or product labeling or information, and the use or maintenance of equipment involved in the preparation of frozen drinks and other products. It is your responsibility to comply with all federal, state and local laws, ordinances, rules, and regulations that may affect your Steak ‘n Shake Restaurant and business, and to obtain and comply with all licenses and licensing requirements necessary for your Steak ‘n Shake Restaurant and business to open and operate. We encourage you to investigate and make inquiries regarding all these laws.

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.

SVP Franchise Partnerships: Shawn Biglari

Mr. Biglari is the SVP Franchise Partnerships for SNS Enterprises. He has served as an executive of SNS Enterprises since 2020 after joining SNS Enterprises in 2012. 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.

Chief Operations Officer Franchise Partnership: Deepak Ajmani

Mr. Ajmani joined SNS Enterprises in 2025 as a Chief Operations Officer Franchise Partnership. Prior to joining Steak n Shake Mr. Ajmani served as a Chief Operations Officer at The Wendy's Company since September 2020. He also served as Wendy's Senior Vice President – U.S. Company Operations (December 2018-September 2020), Vice President of Restaurant Services and Innovation (July 2016-December 2018), and Division Vice President (February 2009-June 2016). Mr. Ajmani is based in Orlando, Florida.

ITEM 3

LITIGATION

There is no litigation with any Franchise Partners who are operating a franchise under this Disclosure Document. The following disclosures involve litigation with franchisees under our full-investment franchise program.

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 is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Third-party Franchise Partner candidates (individuals who have not been an employee of Steak ‘n Shake for the immediately preceding six months) must pay an initial deposit of \$10,000 (“Initial Deposit”) when they sign the Initial Training Agreement. If we and the candidate later enter into a Franchise Agreement, we will apply the Initial Deposit to satisfy payment of the initial franchise fee described below. If we and the candidate do not enter into a Franchise Agreement for any reason or no reason, we will refund one-half of the Initial Deposit to the candidate and will keep the balance to partially satisfy our costs of providing the initial training.

You must pay a non-refundable initial franchise fee of \$10,000. If you are a third-party Franchise Partner (individuals who have not been an employee of Steak ‘n Shake for the immediately preceding six months) we will apply your Initial Deposit to satisfy payment of the initial franchise fee when you sign the Franchise Agreement. If you are a Former Employee, then the initial franchise fee is payable in installments over the first year of the franchise relationship. The initial franchise fee is considered fully earned and non-refundable upon payment.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks^{1 through 11}
License Fee ¹¹	1% of Gross Receipts	Weekly	The License Fee is paid to the Licensor under the License Agreement for use of the Marks. The Licensor may from time to time, in its sole discretion, elect to charge the License Fee on another payment frequency, but not more frequently than weekly.
Marketing Fee ^{5, 11}	The Franchisee’s Monthly Marketing Fee Obligation shall be an amount not greater than 10% of the Restaurant’s monthly Gross Receipts calculated on a monthly basis by Franchisor (subject to change upon Franchisor’s written notice to Franchisee):	Monthly ^{2,3,4,10}	We will charge a marketing fee based on the actual advertising expenses for local, regional, and national advertising for the Restaurant and the marketing area in which it is located not to exceed 10% of Gross Receipts. The amount of your marketing fee may be changed by us at any time to cover your Restaurant’s allocable share of expenses for future marketing and advertising which benefits several Restaurants in a marketing area. Those allocations will be made consistent with past

Type of Fee	Amount	Due Date	Remarks ^{1 through 11}
			practices. We will not charge a mark-up on advertising expenses, but rather will charge only actual expenses as a pass-through.
Administrative Services Fee ¹¹	Costs we incur; currently, \$300 per month	Monthly ^{2,3,4,10}	We offer, directly or indirectly through our affiliates or an approved third-party supplier, certain administrative and other business services. If offered, you must use the services under the Administrative Services Agreement. We will determine the fee for services we or our affiliates provide. You will pay for the cost and expense of your use of third-party business services, including costs rebilled or passed through to you by us.
Rent ^{6, 11}	\$0 to \$39,034 (including, where applicable, percentage rent)	Monthly ^{2,3,4,10}	See Items 7 & 8
Equipment Rental ¹¹	\$2,000	Monthly ^{2,3,4,10}	Payable under the Lease. The Lease includes provisions under which our Parent also leases to you certain furniture, fixtures, and equipment, and other items that are necessary to operate the Steak 'n Shake Restaurant.
Capital Charge ¹¹	A monthly amount not to exceed two percent (2%) of Gross Receipts.	Monthly ^{2,3,4,10}	To fund capital improvements at your Steak 'n Shake Restaurant. See Note 2.
System Fee and Additional System Fee ¹¹	Determined by formula	Monthly ^{2,3,4,10}	See Note 2.
Taxes	Will vary under circumstances	As incurred	You must reimburse us for all sales, use, excise, gross receipts, property or other taxes that we submit payment for on your behalf. ⁹
Hardware and Software Support; High-Speed Internet Access ¹¹	\$12,000 to \$15,000 (annually)	As incurred	See Item 11.
Fines – Minimum Standards and Procedures	Will vary under circumstances	As incurred	May be charged when you fail to maintain all applicable Minimum Standards or comply with the Franchise Agreement.
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.

Type of Fee	Amount	Due Date	Remarks ^{1 through 11}
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from the operation of your Steak 'n Shake Restaurant and/or business or damage to the site.
Credit Card, Gift Card and related fees	Will vary	As incurred	Pursuant to contracts negotiated by us on behalf of the Steak 'n Shake system with various credit card, gift card and processing vendors, certain processing and other related fees are imposed by each vendor with respect to its particular card(s) based upon the credit card or gift card sales made by your Steak 'n Shake Restaurant business. You may be required to enter into contracts directly with such credit card, gift card and/or processing vendors. These fees vary under a wide degree of circumstances, and are nonrefundable.
Interest on Late Payments	The maximum rate permitted by law, or if none, 18% per annum	As incurred	Any payment or other amount owed us, our Parent, or any other affiliate under the Franchise Agreement, the License Agreement, and/or the Lease or Sublease (and attached Equipment Lease), including third party vendor charges we collect from you, will bear interest, compounded monthly after the due date until the date of actual payment. ^{2,3,4}
Returned Debit NSF Fee	\$25 per item by EFT	At time of NSF	Applies to all returned debit(s)
Reimbursement of Cost of Performance	Costs and expenses of performance	As incurred	If you fail to perform your obligations under the Franchise Agreement, Lease, and/or Sublease, we and/or our Parent may perform, and you will reimburse us and/or our Parent costs incurred, together with interest.
Holdover Liquidated Damages	Double the base rent and percentage rent	As incurred	If you hold over or remain in occupancy of the premises after your Lease or Sublease terminates or expires, the base rent and percentage rent will double, as liquidated damages and not as a penalty, but payment will not waive our and/or our Parent's other rights or remedies.
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 or our

Type of Fee	Amount	Due Date	Remarks ^{1 through 11}
			affiliate may elect to operate the Restaurant.
Default Fee	The greater of \$100 per week per violation of the Franchise Agreement Terms or Manual, reimbursement of wage, travel, lodging, and reasonable per-diem expenses that our and/or our affiliates' employees incur	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 Franchise Agreement, we may assess a \$100 per week Default Fee or a greater amount equal to our and/or our affiliates' 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.

Notes:

- These fees are either (a) imposed by and payable to Steak 'n Shake or an affiliate, or (b) payable to Steak 'n Shake, as administrator, unless determined otherwise by Steak 'n Shake. All fees are non-refundable. Fees may vary as provided below, including as stated in Note 11.
- Under the Franchise Agreement, you are required to pay a System Fee, a Capital Charge and an Additional System Fee to us out of your Gross Receipts calculated and due on a monthly basis according to a set formula. That formula is described below, but the definitions of certain terms used therein are provided first:

Definitions:

- "Additional Profit"** as to a particular Restaurant for each calendar month is 50% of the Net Profit for the Restaurant for the month.
- "Additional System Fee"** as to a particular Restaurant for each calendar month is 50% of the Net Profit for the Restaurant for the month.
- "Capital Charge"** is a monthly charge in an amount equal to the percentage of Gross Receipts specified in Appendix A to your Franchise Agreement.
- "Capital Charge Offsets"** is a floating amount that is zero at the beginning of each calendar year and is (i) increased from time to time during the calendar year by the amount of all Capital Charges that you do not pay to Steak 'n Shake; and (ii) decreased from time to time during the calendar year when and to the extent that you pay the previously unpaid Capital Charges to Steak 'n Shake.
- "Daily Deposit"** as to a particular Restaurant for each calendar day is your daily Gross Receipts as adjusted for minor cash expenditures, cash overages and shortages and other cash received.
- "Established Percentage"** means the percentage of Gross Receipts specified in Appendix A to your Franchise Agreement. The Established Percentage will not exceed 15% of Gross Receipts. Steak 'n Shake will determine the Established Percentage in its sole discretion on an annual basis, based on the historical performance of the Company-owned Restaurant you acquire.
- "Gross Receipts"** for a particular Restaurant for each calendar month is your entire gross receipts from sales (excluding sales tax) with respect to the Restaurant.

- (h) **“Minimum Profit”** for each calendar month is \$1,000.
- (i) **“Minimum Profit Offsets”** is a floating amount that is zero at the beginning of each calendar year and is: (i) increased from time to time during the calendar year by the amount of all Minimum Profits retained by you but not covered by Operating Profit; and (ii) decreased from time to time during the calendar year when and to the extent subsequent Operating Profit is sufficient to cover the Minimum Profits.
- (j) **“Net Profit”** for each calendar month is the difference between: (i) the Operating Profit for the month; and (ii) the sum of: (A) the System Fee for the month, (B) the Minimum Profit for the month, (C) the Minimum Profit Offsets, (D) the System Fee Offsets at the effective date of computation, and (E) the Capital Charge Offsets.
- (k) **“Operating Costs and Expenses”** means the ordinary and necessary costs and expenses of operating the Restaurant as reasonably determined from time-to-time by us and/or our affiliates, including, without limitation, (a) rent under the Lease or Sublease and Equipment Lease, (b) the Administrative Services Fee, (c) the Marketing Fee, (d) the License Fee, (e) insurance premiums, (f) payroll and related costs, (g) payments to suppliers, and (h) any applicable taxes, but excluding (x) compensation paid to the Franchise Partner and, to the extent such compensation exceeds comparable wage rates, compensation to any member of the Franchise Partner’s family, (y) the System Fee (as defined below), and (z) the Additional System Fee (as defined below). Notwithstanding the foregoing, the Franchise Partner shall not be permitted to pay or compensate himself or herself a draw, salary or compensation against the Additional Profit or Minimum Profit. The Additional Profit and Minimum Profit shall be paid no earlier than three (3) days nor later than fifteen (15) days after the end of the month in which such Additional Profit or Minimum Profit is earned by the Franchise Partner.
- (l) **“Operating Profit”** for a particular Restaurant for each calendar month is the amount by which Gross Receipts exceeds the Operating Costs and Expenses incurred by you for the Restaurant during the month.
- (m) **“System Fee”** for a particular Restaurant for each calendar month is the amount by which the Established Percentage of the Restaurant’s Gross Receipts for the month exceeds the monthly equipment rental and Administrative Services Fee for the calendar month.
- (n) **“System Fee Offsets”** is a floating amount that is zero at the beginning of each calendar year and is (i) increased from time to time during the calendar year by the amount of all System Fees that you do not pay to Steak ‘n Shake; and (ii) decreased from time to time during the calendar year when and to the extent that you pay the previously unpaid System Fees to Steak ‘n Shake.

Formula Applicable to Franchise Partners:

You will pay us from Gross Receipts as expenses of your Steak ‘n Shake Restaurant and business the following: Administrative Services Fees, Marketing Fees, and any taxes that we pay on your behalf. You will pay our Parent all rent for the Restaurant premises and equipment due under the Lease. You will pay the Licensor the License Fee, and you will pay third-party suppliers and vendors for insurance coverage and other items and supplies required to operate your Restaurant.

You will pay Steak ‘n Shake from the Operating Profit of the Restaurant for each calendar month, an amount equal to the sum of the System Fee and the Additional System Fee, and retain for yourself an amount equal to the sum of the Minimum Profit and any Additional Profit. You will pay Steak ‘n Shake from your fifty percent (50%) of the Net Profits of the Restaurant for each calendar month an amount equal to the Capital Charge. To the extent that your Operating Profit for a month is not sufficient to fund all of these payment and retention items, you must disburse your Operating Profit in the following order, until it is exhausted:

- (a) you retain for yourself the Minimum Profit;

- (b) you pay the System Fee;
- (c) you pay the Minimum Profit Offsets, the System Fee Offsets and the Capital Charge Offsets; and
- (d) you pay the Additional System Fee, if any,
- (e) you pay the Capital Charge, if any, and retain for yourself the Additional Profit, if any.

You may retain on a monthly basis the full Minimum Profit, even if the Operating Profit for the month is insufficient to cover the Minimum Profit, and even if Gross Receipts are insufficient to cover the System Fee, the Minimum Profit Offsets, System Fee Offsets, Capital Charge Offsets and Additional System Fee for the month. To the extent that Operating Profit is insufficient to cover the full Minimum Profit (and assuming you retain the Minimum Profit) and the System Fee, future Operating Profit during the calendar year in which the insufficiencies occur must be allocated to cover existing arrearages of Minimum Profits and/or System Fees before you will be entitled to any future Additional Profit. For the avoidance of doubt, we do not share in the losses to extent that your Steak 'n Shake Restaurant does not generate an Operating Profit or Net Profit.

Within fifteen (15) days following the end of each calendar year during the Term, we shall deliver to you a statement of the amount of Minimum Profit Offsets, System Fee Offsets, Capital Charge Offsets and any other unpaid amounts (plus all applicable interest) that remain outstanding for the year, if any (the "Deficiencies"). If you do not pay to us the Deficiencies within fifteen (15) days of your receipt of the statement, we will have the right to terminate the Franchise Agreement immediately upon written notice to you. Upon termination for failure to timely pay the Deficiencies, you will remain responsible for paying to us for the full amount of the Deficiencies, in addition to any other amounts owed to us under the Franchise Agreement. Also see Note 10.

- 3. Former Employees, upon execution of the Franchise Agreement, will also enter into the Former Employee Amendment to the Franchise Agreement, attached hereto as Exhibit C-1.
- 4. Between the first and fifteenth day of each fiscal month (based on our then-current fiscal calendar), we or our affiliate will prepare a fee calculation report for your Steak 'n Shake Restaurant business for the preceding month in order to determine the fees and other expenses to be paid from your Gross Receipts and, as part of the fee calculation process, will calculate the fees and expenses according to the formula described in Note 2 above. Although calculated and due on a monthly basis, these fees and expenses are paid from Gross Receipts as expenses of your Steak 'n Shake Restaurant and business to us, our Parent, the Licensor, and/or third-party suppliers on either a monthly or pro rata/month-to-date daily basis.

Under the Franchise Agreement, you are responsible for paying your expenses, but you appoint us and our Parent as your agent to establish and administer a program for collecting and accounting for the Gross Receipts of your Steak 'n Shake Restaurant and business and facilitating your payment of the rent, any equipment rental, and any other payments or charges due pursuant to the Lease for the restaurant premises and the License Agreement, insurance premiums, payroll and related expenses, marketing fees, any fees or charges pursuant to the Franchise Agreement, and other amounts owed to us and our affiliates and/or suppliers by you. At the same time, you remain responsible for assisting us and our affiliates in its administration of the program for collecting and accounting for the Gross Receipts of your Steak 'n Shake Restaurant and business in the method and manner we require. For example, you must establish a cash handling system we approve (including a bank account with allowance for funds to be transferred therefrom by us and any of our affiliates, pursuant to the Franchise Agreement). You must deposit your Daily Deposit into the approved cash handling system each day before leaving the Restaurant or follow such other procedures as designated from time to time by us or our affiliates. In the event that approved cash handling system services are not provided in your geographic area or you otherwise are approved for an exemption from our then current cash handling system service requirements,

you will be required to deposit such funds directly into a local bank account or a prescribed group bank account, or otherwise follow such other procedures as designated from time to time by us or our affiliates. You must transmit a report to us at the end of each business day regarding the amount of the Daily Deposit for your Steak 'n Shake Restaurant and business, and we or our affiliates will transfer that amount from your cash handling system bank account into our or our affiliate's general account.

We and our affiliates may maintain your funds in segregated, group and/or general bank account(s) that include your funds, other operators' funds, our funds, and/or our affiliates' funds. We and our affiliates may use such funds at its election from time to time prior to your funds being disbursed pursuant to the terms of the Franchise Agreement. We will have no obligation to pay any interest on any such funds. Any bank account(s) established or maintained by us and our affiliates are not trust funds or trust accounts. No fiduciary or implied duties, relationships or covenants exist between us and our affiliates and you arising out of or relating to the Franchise Agreement, the program, the account(s), the funds or their respective administration. We and/or our affiliates only, and not you, are entitled to receive the earnings credits, interest, and/or any other banking benefits, if any, earned, awarded or elected from time to time on such account(s) and the funds in such account(s).

5. We may, in the exercise of our sole discretion, offer certain additional marketing or other incentive funds and programs to one or more Franchise Partners in connection with certain special circumstances or situations that arise from time to time, such as assisting with brand-building in low awareness areas, including new markets, new locations, enhancing the physical premises of Steak 'n Shake Restaurant facilities, or other challenging situations which may have a detrimental effect on sales and profits. We are under no obligation to offer these additional marketing or other incentive funds and programs or any other assistance of this type to you under any circumstances. Such additional marketing or other incentive funds and programs do not grant you any contract rights, are not part of your contract and do not modify or affect our or your contract rights and obligations under the Franchise Agreement. Our internal programs and policies are subject to change or cancellation at any time by us.

The Marketing Fee will be decided by us, in our sole discretion, based on the historical advertising expenses of your Steak 'n Shake Restaurant. We reserve the right to increase the Marketing Fee in the future, upon notice to you, to cover your Steak 'n Shake Restaurant's allocable share of future marketing and advertising initiatives, provided that the Marketing Fee will not exceed 10% of Gross Receipts. If we at any time decide to amend the Marketing Fee, you must execute a new Appendix A to the Franchise Agreement with the amended Marketing Fee, which will come into effect at the beginning of the first fiscal quarter following the execution of the amended Appendix A (according to our then-current fiscal calendar).

6. The rent figures reflected above in this Item 6 represent an estimate of the lowest and highest approximate amounts of monthly rent charged to any single Steak 'n Shake Restaurant during calendar year 2021 under the lease or sublease for such Steak 'n Shake Restaurant business, including, where applicable, for percentage rent. In unusual circumstances, which include special costs, the fees paid by you may be higher than those outlined in this Item 6. These circumstances may include certain high-cost sites.

Your rent payment will be based on the Lease, and in the case of a Sublease, any applicable prime lease or ground lease, for your Steak 'n Shake Restaurant. Rent payments will vary depending on where your Steak 'n Shake Restaurant is located, the size of the premises, whether you are to operate a free-standing or in-line restaurant, and other factors.

Leases: If our Parent owns the premises on which a free-standing Steak 'n Shake Restaurant is operated, under the terms of the Lease, you will be a lessee of the premises and must comply with the obligations imposed by our Parent upon you as primary lessee of the premises. You will be required to make monthly payments to our Parent. The monthly payments will include

all of the monthly base rent, if any, percentage rent, and any other extra or additional charges and rents due under the Lease.

For a site that is owned by our Parent, the calculation of monthly base rent for the site is based on a variety of factors, including but not limited to prevailing market rental rates, the total amount invested by our Parent in the acquisition of the land (including title premiums, endorsements, recording fees, and other such costs incurred), the amounts invested by our Parent for the building shell, the cost of capital for all such amounts invested by our Parent, among other factors, as determined by our Parent in its sole discretion. Additionally, for a site that is owned by our Parent, to the extent the calendar year-to-date Gross Receipts of a Steak 'n Shake restaurant business exceed a certain percentage rent breakpoint, you will be obligated to pay our Parent percentage rent. However, our Parent reserves the right, in its sole discretion, to determine monthly base rent as a straight percentage of Gross Receipts in circumstances where it deems such calculation to be more appropriate.

Subleases: If our Parent or an affiliate leases the premises on which a free-standing or in-line Steak 'n Shake Restaurant is operated, under the terms of the Sublease, you will be a sublessee of the premises and must comply with the obligations imposed on our Parent or an affiliate as the primary lessee of the premises and imposed by our Parent or its affiliate upon you as a sublessee. You will be required to make monthly payments to our Parent or the relevant affiliate lessee. The monthly payments will include: (1) all of the monthly base rent under the prime lease, percentage rent under the prime lease, and any other extra or additional charges and rents due under the Sublease; and (2) additional base rent or percentage rent paid directly to our Parent based on a determination that the prevailing market rental rates warrant such an adjustment. The monthly base rent could increase when and if, among other things, the rent under the prime lease increases pursuant to the terms of such prime lease or based on our Parent's determination that an increase in rent paid to our Parent is required based on market conditions.

Our Parent reserves the right, in its sole discretion, to determine monthly base rent as a straight percentage of Gross Receipts in circumstances where it deems such calculation to be more appropriate.

The prime lease, ground lease, and other related real estate documents for a site are subject to periodic amendment, renewal, and/or renegotiation. As a result, the obligations imposed upon our Parent or its affiliate for such a site may change from time to time and, as a result, the terms of your Sublease with our Parent or its affiliate (including, but not limited to, your monthly payments to our Parent or its affiliate, the base rent, percentage rent, taxes, common area maintenance (CAM) charges, and other additional or extra charges and rents) could also change. In addition, as a result of a periodic amendment, renewal, and/or renegotiation of the prime lease, ground lease, or other related real estate documents for the site, your rights and privileges to use and enjoy the premises could also change during the term of your Franchise Agreement and its attached Lease, including with regard to signage, physical layout, parking, access, exclusivity, and other such matters.

In certain instances, our Parent may become the owner of the premises on which a Steak 'n Shake Restaurant is operated as a result of the exercise of option rights under a lease or other type of acquisition. If this occurs during the term of your Franchise Agreement and its attached Lease, your then-current sublease will terminate and you will become either: (1) a lessee of the premises and must comply with the obligations imposed by our Parent or its affiliate upon you as primary lessee of the premises, including making monthly lease and other payments to our Parent or its affiliate; or (2) a sublessee of the premises and must comply with the obligations imposed upon the Steak 'n Shake entity that is the primary lessee of the premises by our Parent's affiliate acting as the landlord, including making monthly sublease and other payments to our Parent or its affiliate, all as determined by our Parent in the exercise of its sole discretion.

Our Parent or its relevant affiliate may, in the exercise of its sole discretion cap or limit the rent payments of one or more Franchise Partners in connection with certain special circumstances or situations that arise from time to time. As a result, for example, the monthly payments for such

Franchise Partners may not equal all of the monthly base rent and other extra or additional charges and rents set out in the prime lease or ground lease agreements between our Parent and the landlord for such sites. Neither our Parent nor any affiliate is under any obligation to offer such a cap or limit to you under any circumstances. Any cap or limit offered by our Parent or any affiliate to you from time to time does not grant you any contractual rights, is not part of your contract, and does not modify or affect our Parent's, or any of our affiliates' or your contractual rights and obligations under the Franchise Agreement or the Lease. Our and our Parent's internal programs and policies are subject to change or cancellation at any time in the future as determined by us or our Parent in our sole discretion.

7. The percentages used in computing payments based on Gross Receipts have been determined by us in consideration of the set of rights being granted the drawing power of a Steak 'n Shake Restaurant, the value of the Steak 'n Shake system as a whole, the ratio between our investment and your investment, potential rates of return on investment, the ratio between what we think might be our potential return and yours, the amount which we have at risk, and our interests in obtaining a profit in light of competitive conditions. All payments made by you to us and our affiliates are part of a single financial arrangement between you and us which, taken as a whole and without regard to any designation or description, reflect the value of the rights being made available to you by us and our affiliates and the services being rendered by us and our affiliates during the term of the Franchise Agreement, including its attached Appendices, and the License Agreement. The percentages may vary among Franchise Partners depending upon when a franchise or site was obtained or leased as well as other factors. In unusual circumstances which include special costs, the fees paid by you may be higher than those outlined in Item 6.
8. We may require you to donate up to 5% of the monthly amounts you receive as Additional Profit to a charitable organization, and if we do, we will donate an equal percentage up to 5% of the monthly amount we receive as Additional System Fees to the same charitable organization. The recipient of such charitable donations must be a 501(c)(3) nonprofit organization that is mutually agreed upon by you and us.
9. We will prepare returns and submit payments for any sales, use, excise, gross receipts, property or other taxes levied upon you, your Steak 'n Shake Restaurant and business, or its assets, in connection with the sales made, services performed, or business conducted by you, excluding your income tax obligations. Any such taxes paid by us will be charged to you and repaid to us. You will be responsible for preparing and submitting returns and payments for any state or federal income taxes levied upon you in connection with the sales made, services performed, or business conducted by your Steak 'n Shake Restaurant and business.
10. Candidates who successfully complete our initial training program, including achieving the metrics of restaurant performance we require during the in-restaurant execution portion of the initial training program (the "Gold Standard"), will be offered a Franchise Agreement. Under the New Franchisee Incentive Program Amendment, we provide a financial incentive to new Franchise Partners by promising that, if they maintain the Gold Standard and the Franchise Agreement is not terminated by us or by them during the first 12 months ("First Contract Year"), their return from operating the franchised Restaurant for the First Contract Year will be an amount equal to the greater of (a) the Minimum Profit plus the Additional Profit for the First Contract Year, as calculated under the Franchise Agreement (described in Note 2 (for Third-party Franchise Partners) and Note 3 (for Former Employee Franchise Partners)) ("Contract Amount") or (b) the Guaranteed Amount. The Guaranteed Amount is \$40,000. However, we may elect to increase the Guaranteed Amount up to \$130,000 for certain Third-party Franchise Partners for the First Contract Year after considering certain market factors. The factors that we may consider in determining whether to modify the Guaranteed Amount include: (a) overall demand for the Franchise Partner franchise in certain geographic markets, (b) a particular Steak 'n Shake Restaurant's market position and performance, (c) economic considerations and our long term interests, and (d) the number of Steak 'n Shake Restaurants in the System available in the Franchise Partner franchise program. We are not obligated to increase or negotiate the Guaranteed

Amount, even if the demand in the geographic market or the specific Steak 'n Shake Restaurant possess some or all of these factors or characteristics. Within 15 calendar days after the end of the First Contract Year, we will complete a reconciliation process to determine the Contract Amount. If the Contract Amount is less than the Guaranteed Amount, we will pay you an amount equal to the difference between the Contract Amount and the Guaranteed Amount on completion of the reconciliation process.

11. We may, in our discretion, reduce, waive, or otherwise adjust, some or all of the fees and charges payable under the Franchise Agreement, including, without limitation, the License Fee, Marketing Fee, Administrative Services Fee, Rent, Equipment Rental, Capital Charge, System Fee and/or Additional System Fee. Adjustments may be made based on the historical performance of the Restaurant, the anticipated costs of operating the Restaurant and other factors we deem to be relevant. Adjustments may vary from Restaurant to Restaurant and franchisees may experience differing levels of fees and charges as a result of such adjustments.

In addition, franchisees who have signed Franchise Agreements before the date of this Disclosure Document may be subject to different terms and conditions in their Franchise Agreement and may pay different fees than set forth in this chart.

ITEM 7

ESTIMATED INITIAL INVESTMENT

Type of Expenditure ¹	Amount ¹	Method of Payment	When Due	To Whom Payment Is to Be Made
INITIAL EXPENDITURE				
Initial Franchise Fee	\$10,000 ²	Lump Sum	At time of signing Franchise Agreement, unless otherwise noted ²	Us
ADDITIONAL EXPENDITURES				
First Month's Rental of Equipment	\$2,000 ⁴	Monthly ³	By the 1st day of each month	Parent
First Month's Rent under the Premises Lease/Sublease	\$0 to \$39,034 ⁴	Monthly ³	By the 1st day of each month	Parent (see Item 11 below)
First Month's Insurance Expense	\$622-\$10,462 ⁴	Monthly ³	As Arranged	Third-Party Supplier
Additional Funds	\$238,758-\$833,454 ^{4, 5}	As Incurred	As Incurred During First 3 Months of Operation	Us, Parent, Licensor, and Third-Party Suppliers

TOTAL ESTIMATE OF INITIAL INVESTMENT	\$259,336- \$997,942⁴			
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Notes:

1. The preceding table describes the costs of initial investment for a free-standing Restaurant or an in-line Restaurant.
2. Third-party Franchise Partners (individuals who have not been an employee of our Parent for the immediately preceding 6 months) must pay an Initial Deposit of \$10,000 upon signing the Initial Training Agreement. Such Initial Deposit shall be applied to satisfy the initial franchise fee when the Franchise Agreement is signed. If the Franchise Partner has been an employee of our Parent for at least the immediately preceding 6 months, then the initial franchise fee of \$10,000 is payable in installments over the first year of the franchise relationship.

Although the \$10,000 initial franchise fee is the only initial out-of-pocket investment you will be required to make to begin operation of your Steak ‘n Shake Restaurant, the other expenditures in the table will reduce the actual Operating Profits of your Steak ‘n Shake Restaurant and business and will affect the amount of your income.
3. These amounts are deducted from the Gross Receipts of your Steak ‘n Shake Restaurant and business as expenses. Although calculated and due on a monthly basis, these fees and expenses are paid from Gross Receipts as expenses of your Steak ‘n Shake Restaurant and business to Steak ‘n Shake on either a monthly or pro rata/month to date daily basis. See Item 5 and Note 2 and Note 3 to the table in Item 6.
4. This amount depends on where your Steak ‘n Shake Restaurant is located, the size of the premises, and other factors. The amount could be higher, for example, if your Steak ‘n Shake Restaurant is located in a flagship-type, urban facility in a large metropolitan market.
5. This amount reflects the costs you can expect to pay in your first three months of operation and includes your cost of food, paper, and supplies, as well as labor costs, the cost of repairs, maintenance, utilities, and other costs required to operate your Restaurant, but does not include any draws, disbursements, or other distributions taken by you. In formulating these figures, we have relied on our and our Parent’s over 90 years of experience in the Steak ‘n Shake Restaurant business and on the financial performance of the Steak ‘n Shake Restaurants during the fiscal year ended December 31, 2025 (“FY25”). The exact amount required for additional funds will vary from operation to operation and cannot be estimated with certainty for your Steak ‘n Shake Restaurant and business.

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 to protect and enhance the image of the Steak n Shake By Biglari Marks. You must 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 maintain in sufficient supply and 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, even if such items were previously approved by us.

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 or that we designate (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, which may be us and/or our affiliates). 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, lease or license 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, seasonings, and pepper sauce; back office administration and other business services, including financial reporting services and preparation of your sales, use, excise, gross receipts, property or other tax returns (but not your income tax returns). We also require that you lease the Restaurant premises and most equipment from us, our Parent, or other affiliates. 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 promotional materials, including coupons, print media, digital media, social media, outdoor advertising, and radio and television advertisements only through us or vendors we have approved.

We estimate that the proportion of required purchases, purchases from approved suppliers, and purchases in accordance with our specifications made by you represent 95% or more of the total cost of establishing and operating your Restaurant.

During FY25, all of our affiliates received a total of \$29,495,735 from our franchisees for directly selling or leasing of the Restaurant premises and leasing of furniture, fixtures and equipment. In FY25, our total revenues from franchisees’ required purchases and administrative services were \$617,934 or approximately 1.47% of our total revenue of \$42,148,631.

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, but are not obligated, 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 and Distributors

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.

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.

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

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.

We and our affiliates 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 franchise partners from designated suppliers in the amount of \$5,197,081. 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.

Advertising, Marketing, and Promotional Materials

All advertising, marketing, and promotional materials, signs, decorations, paper goods (including all forms and stationery used in the Restaurant), and other items we designate must bear the Marks in the form, color, location, and manner we prescribe. We have the sole, exclusive right to print menus to be used in your Restaurant. 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 promotional materials, including coupons, print media, digital media, social media, outdoor advertising, and radio and television advertisements only through us or vendors we have approved.

Required Technology

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, music systems and playlists, 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; online/mobile ordering; 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. Fees to outside vendors we designate may increase; however, we negotiate on behalf of the system to obtain the lowest possible costs.

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” transaction, 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.

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, including but not limited to Kids Eat Free, Half-Price Milk Shake Happy Hour, and our \$5.99 meal deal menu items. 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 and CEO.

Vending Machines

We require all Restaurants in the System to have 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 of the Restaurant. We reserve the right to modify the required devices from time to time. Currently, there is only one approved vendor of such machines and devices. 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.

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.

Leases

You must enter into a Lease with our Parent for the Company-owned Restaurant you acquire. We negotiate and enter into prime leases for the free-standing units which we do not own. In such case, you are a sublessee of the premises and must comply with the obligations imposed on our Parent as primary lessee of the premises. In some instances, our Parent will own the premises on which free-standing units are operated. Whether or not our Parent owns or leases the premises for your Steak 'n Shake Restaurant business, you are required to make rent payments directly to our Parent.

Equipment

Your Lease includes provisions under which we lease to you the furniture, fixtures, and equipment located at the Company-owned Restaurant you acquire as a franchise. We will provide you with most or all of the equipment (and other property necessary to operate your Steak 'n Shake Restaurant, including the kitchen appliances and equipment) and dining area furniture and fixtures. In exchange for your use of our equipment, furniture, and fixtures under the Lease, you will be required to make equipment rental payments to us, currently in the amount of \$2,000 per month. In some circumstances, you may decide to purchase or be required to purchase (versus lease from us) additional items of approved smallwares, operating supplies, utensils, equipment, and other goods in order to maximize the sales and profit potential of your Steak 'n Shake Restaurant and/or as such items not covered by the Lease need to be replaced due to wear and tear.

Administrative Services

Under the Franchise Agreement, between the first and fifteenth day of each fiscal month (based on our then-current fiscal calendar), we will prepare a fee calculation report for your Steak 'n Shake Restaurant and calculate the fees and other expenses to be paid by you out of your revenues according to a set formula. (See Item 6, Note 2 for a description of this formula). Under the Administrative Services Agreement, prior to revenue disposition, a monthly administrative services fee equal to costs we incur, currently \$300, will be deducted from your Gross Receipts as an expense of your franchised Steak 'n Shake Restaurant and business, as payment to us for provision of back office administration and other business services, including financial reporting services and preparation of your sales, use, excise, gross receipts, property or other tax returns (but not your income tax returns) and the processing and administration of payroll, benefits and human resource information on your behalf based on the information you provide to us.

Insurance

Unless otherwise approved by us or our Parent, you must purchase minimum levels of certain types of insurance from an insurance company that is licensed to do business in the state where your Steak 'n Shake Restaurant is located and that has a rating of not less than A- and a financial size category of VII as rated in the latest A.M. Best insurance rating report. We currently require you to purchase commercial general

liability insurance, commercial automobile liability insurance, and excess/umbrella liability coverage, with minimum limits of liability and other terms determined by us to provide certain minimum levels of coverage for your Steak 'n Shake Restaurant and business; and worker's compensation, unemployment compensation, disability insurance, social security, and any other insurance coverage we require or which may be required by law. You may not add a deductible or self-insurance retention on any policy required by the Franchise Agreement without our prior written approval. Under the terms and conditions of the Franchise Agreement, we may add to, increase, or change your insurance requirements. Your obligation to obtain and maintain the foregoing policies shall not be limited by reason of any insurance which may be maintained by us, which insurance maintained by us shall be strictly excess, secondary and noncontributory of the insurance provided by you, nor shall your performance of your insurance obligations under the Franchise Agreement relieve you of liability under the indemnity provisions set forth in the Franchise Agreement.

We may from time to time offer to you and, to the extent offered and required, you must participate in programs of insurance designed to satisfy some or all of your insurance obligations under the Franchise Agreement, through some combination of insurance contracts with outside insurance companies or a self-insurance program maintained by us, all in our sole discretion. You will pay for the cost of your participation in such programs, including without limitation insurance premiums, claim administration expenses and any other costs rebilled or passed through to you by us from time to time.

If we do not offer you an insurance package, or you are directed by us to purchase insurance directly to satisfy some or all of your insurance obligations under the Franchise Agreement, you shall deliver or cause to be delivered certificates (or copies thereof) of (A) general liability and worker's compensation and employer liability insurance required by the Franchise Agreement to us upon execution of the Franchise Agreement, (B) all other insurance required by the Franchise Agreement prior to the turnover of your Steak 'n Shake Restaurant to you, and (C) evidence of renewal promptly upon renewal of such policies. You shall also deliver to us evidence of payment of all insurance premiums at any time upon our written request. Certificates shall evidence all limits, coverages, and provisions as required by the Franchise Agreement.

All insurance policies required by the Franchise Agreement shall provide for (a) written notice to us 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 you are unable to procure insurance meeting the requirements set forth in the preceding sentence, we may require you to prepay your insurance policy for a period not less than three (3) months, and you shall deliver to us evidence of prepayment prior to the expiration of the certificate evidencing the insurance then in effect. If you fail to obtain or maintain in force any insurance as required by the Franchise Agreement or to furnish any certificate of insurance required under the Franchise Agreement, we may, in addition to all other available remedies, obtain the insurance or certificates required by the Franchise Agreement, and you must promptly reimburse us for all insurance premiums and other costs incurred in obtaining such insurance.

All insurance policies required under the Franchise Agreement shall name us and the Licensor as an additional insured by endorsement delivered to us, and any additional party reasonably designated by us, and shall protect you, us, and the Licensor against any liability which may arise by reason of the Franchise Agreement or the License Agreement or the ownership, maintenance or operation by you of your Steak 'n Shake By Biglari Restaurant. Our status, and the status of any additional party reasonably designated by us, as an additional insured under each policy required by the Franchise Agreement shall be primary and non-contributory. Additionally, all policies procured by you under the Franchise Agreement shall contain an express waiver of any right to subrogation by the insurance company against us and any additional party reasonably designated by us.

Under the License Agreement, you must obtain personal injury, property damage, and product liability insurance from an insurance company approved by the Licensor. Coverage must be for the term of your License Agreement and be at least \$5,000,000 for each occurrence.

Under the Lease or Sublease, you must obtain property insurance from an insurance company approved by Steak n Shake Inc. All such insurance policies required under the Lease or Sublease shall name Steak n Shake Inc. and any third party landlord as an additional insured.

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.

There is no practice in effect by which we or our affiliates provide material benefits to you, such as a right of renewal or the granting of additional franchises, based upon your use of designated or approved suppliers, although your franchise is subject to termination if you do not use the approved and/or designated suppliers and distributors with whom we and/or our affiliates have exclusive contractual arrangements or if you use suppliers not approved by us.

The requirements described in this Item 8 represent the Steak 'n Shake system at the present time. However, we and our affiliates retain the right to change these requirements, including any single source requirements, as the Steak 'n Shake system evolves over time and the needs of the Steak 'n Shake system change.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section					Disclosure Document Item
		Franchise Agreement	Lease	Sublease	License Agreement	Administrative Services Agreement	
a.	Site selection and acquisition/lease	1.3, 3.1	2	1	Not applicable	Not applicable	6,7,8,11
b.	Pre-opening purchases/leases	3.1, 3.2	2	1	Not applicable	Not applicable	5,7,8,11
c.	Site development and other pre-opening requirements	3.1, 3.2	Not applicable	Not applicable	Not applicable	Not applicable	11
d.	Initial and ongoing training	1.5, 5.3	Not applicable	Not applicable	Not applicable	Not applicable	11
e.	Opening	Appendix A	2	2	Not applicable	Not applicable	11
f.	Fees	1.6, 6.1, 7.3, Appendix A	3, Exhibit 4	3, Exhibit 2	1.2	3.1	5,6,7
g.	Compliance with standards and policies/operating manual	1.3, 1.4, 1.5, 3.2, 4.1, 4.3, 5.1, 5.2, 5.3, 8.3	2	8, 36	1.3, 1.6	Not applicable	8

	Obligation	Section					Disclosure Document Item
		Franchise Agreement	Lease	Sublease	License Agreement	Administrative Services Agreement	
h.	Trademarks and proprietary information	1.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 11.2	11	6	1	Not applicable	13,14
i.	Restrictions on products/services offered	4.1, 4.3	2	8, 36	Not applicable	Not applicable	8,16
j.	Warranty and customer service requirements	1.4, 1.5, 5.3	Not applicable	Not applicable	Not applicable	Not applicable	8
k.	Territorial development and sales quotas	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
l.	Ongoing product/service purchases	3.2, 4.1, 4.3, 4.4	Not applicable	Not applicable	Not applicable	1.1, 1.2 1.3	8,11
m.	Maintenance, appearance, and remodeling requirements	3.1, 3.2	2, 5	8, 9	Not applicable	Not applicable	8
n.	Insurance	9.2, 9.3, 9.4, 9.5	8	18	5.5	Not applicable	6
o.	Advertising	7,10.6	Not applicable	Not applicable	Not applicable	Not applicable	6
p.	Indemnification	9.1	12	12	1.5, 5.5	6.1	6
q.	Owner's participation /management/staffing	1.4, 1.5, 5.3	Not applicable	Not applicable	Not applicable	Not applicable	15
r.	Records and reports	8.1, 8.2, 8.4	Not applicable	Not applicable	Not applicable	1.1	6,11
s.	Inspections and audits	5.5, 8.4	9	24	Not applicable	Not applicable	Not applicable
t.	Transfer	13.2	16	14, 36	3.2	Not applicable	15, 17

	Obligation	Section					Disclosure Document Item
		Franchise Agreement	Lease	Sublease	License Agreement	Administrative Services Agreement	
u.	Renewal	2	2	2	2.1	Not applicable	17
v.	Post-termination obligations	10, 11.2, 11.3, 12.2	10, 11	2, 6	2.4	Not applicable	17
w.	Non-competition covenants	12.1, 12.2	Not applicable	Not applicable	Not applicable	Not applicable	17
x.	Dispute resolution	15.2, 15.3, 15.5, 15.7, 15.8, 15.9	16	20	4.5, 4.6	Not applicable	17
y.	Other: Personal Guaranty (See Note 1.)	12.3, 13.2	Not applicable	Not applicable	Not applicable	Not applicable	1, 15, 17

Note:

(1) You must sign the Franchise Agreement, Lease (or Sublease), and License Agreement as an individual. We and our affiliates may allow you to assign all such agreements to a single corporation, limited liability company, or other form of business entity then approved by us and our affiliates, which is formed solely for the convenience of ownership. Under the Assignment and Assumption Agreement (Exhibit D) that must be signed as a condition of any assignment, you must be the sole owner of the business entity and must personally guarantee and remain personally bound by each and every term and condition of the Franchise Agreement, Lease (or Sublease), and License Agreement. The proposed transferee business entity must assume all of your obligations under all such agreements.

ITEM 10

FINANCING

Our Parent leases and subleases Restaurant premises to our Franchise Partners. The terms for these Leases and Subleases vary depending on the location of the Steak ‘n Shake Restaurant. If you lease the Restaurant premises, the term length of any Lease for the Restaurant premises will be the same as the term length of your Franchise Agreement. If you sublease the Restaurant premises, you will be required to comply with the terms of the prime lease or ground lease between our Parent and the landlord. The term length of any Sublease for the Restaurant premises is the same as the term length of your Franchise Agreement or the earlier expiration or termination of the lease between our Parent and the landlord, whichever is shorter. You will be required to make all rental payments to our Parent. The Lease or Sublease attached as an exhibit to and a part of your Franchise Agreement governs your occupancy of the Restaurant premises.

Our Parent rents furniture, fixtures, and equipment to its Franchise Partners under the Equipment Lease at a fixed monthly equipment rental fee of \$2,000 per month. The term length of the Equipment Lease will be the same as the term length of your Lease or Sublease. Under the Franchise Agreement, we will retain a security interest in your furniture, fixtures, and equipment.

Upon default of your Lease obligations (including your equipment rental obligations under the Lease) and failure to cure such defaults (if curable), your liability could include termination of your Lease, the Franchise Agreement, and the License Agreement, and payment of all accrued and unpaid amounts and interest, costs

of recovery, costs of collection, and attorneys' fees due under such agreements and other damages and fees we and our affiliates are entitled to under such agreements. If you assign the Lease to an entity, then you must personally guarantee the Lease.

We indirectly finance your retention of the Minimum Profit by allowing your retention of the Minimum Profit even if your Steak 'n Shake Restaurant and business does not produce enough Operating Profit to cover the amount of the Minimum Profit. To the extent that Operating Profit is insufficient to cover the full Minimum Profit (and assuming you retain the Minimum Profit) and the System Fee, future Operating Profit during the calendar year in which the insufficiencies occur must be allocated to cover existing arrearages of Minimum Profits and/or System Fees before you will be entitled to any future Additional Profit.

If the Franchise Partner has been an employee of our Parent for at least the immediately preceding 6 months, we will provide interest-free financing of the payment of the initial franchise fee. The payment terms described below are set forth in the Franchise Agreement. The initial franchise fee is payable in installments over the first year of the Franchise Agreement. In the event that the Franchise Agreement is terminated within the first year then the unpaid amount of the initial franchise fee shall be paid within fifteen (15) calendar days following the termination of the Franchise Agreement. If you default on your initial franchise fee payment obligations and do not cure as required by the Franchise Agreement, your liability could include termination of your Lease, the Franchise Agreement, and the License Agreement and payment of all accrued and unpaid amounts and interest, costs of recovery, cost of collection, and attorneys' fees due under such agreements and other damages and fees we and our affiliates are entitled to under such agreements. If you assign the Franchise Agreement to an entity, then you must personally guarantee the Franchise Agreement.

If the Franchise Partner is a third party candidate, we or one of our affiliated companies may finance all or a portion of the Initial Deposit described in Item 5. If financing for the Initial Deposit is provided, it may be on terms similar to, or different from, the financing made available to former employees of our Parent, described above.

If you meet our credit standards, we or our affiliate may finance an advance on the Additional Profit in varying amounts not to exceed \$25,000 over a period of 1 year or less at an interest rate (rate of interest, plus finance charges, expressed on an annual basis) not to exceed twelve percent 12%, using the standard form note in Exhibit F-1. The only security we require is a personal guarantee of the note by you. The note can be prepaid without penalty at any time during its term. If you do not pay on time or leave the Franchise Partner program, for any reason, we can call the note and demand immediate payment of the full outstanding balance and obtain court costs and attorney's fees if a collection action is necessary. We also have the right to terminate your franchise if you do not make your payments on time during the note term. You waive your rights to notice of a collection action and to assert any defenses to collection against us. We have no intention to sell or assign the note to a third party.

Although we and our affiliates have the right to do so, we do not presently intend in the future to sell, assign, or transfer any instrument executed by Franchise Partners to a third party (except that some of our lenders may have a security interest in Franchise Agreements and in its Restaurant leases). We and our affiliates have the right to assign or transfer all rights in and to the Franchise Agreement, License Agreement, and Lease. If any or all such agreements are assigned or transferred, you could lose your defenses against us and applicable affiliates. Neither we nor any of our affiliates receives any direct or indirect payments for placing financing.

When you enter into the Franchise Agreement, Lease, and License Agreement as an individual, you are not required to waive notice, confess judgment, or waive a defense against us or our affiliates. If you assign the Franchise Agreement and Lease to an entity as provided for in the agreements, then you must personally guarantee such agreements, and you will be required to waive notice and/or waive defenses against us and/or our affiliates.

Except as disclosed in this Item 10, neither we nor any of our affiliates, offers direct or indirect financing. Neither we nor any of our affiliates guarantees your note, lease, or obligation.

ITEM 11

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

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

During your operation of your Steak 'n Shake Restaurant, we will:

- (i) establish and administer a program for collecting and accounting for the Gross Receipts of your Steak 'n Shake Restaurant and then facilitate your payment of the rent, equipment rental, and any other payments or charges due pursuant to the Lease for the Restaurant premises, license fees, insurance premiums, marketing fees, and any other fees or charges pursuant to the Franchise Agreement and other amounts owed to us and our affiliates under other agreements and/or suppliers by you in the manner described in Item 6 of this Disclosure Document (See Sections 6.1(G) and 6.1(H) of Franchise Agreement);
- (ii) furnish a fee calculation report to you each month containing specified financial information and calculations concerning the previous month's performance of your Steak 'n Shake Restaurant in order to determine the fees and other expenses to be paid from your Gross Receipts and, as part of the fee calculation process, calculate the fees and expenses according to the formula described in Item 6 of this Disclosure Document (See Sections 1.6(A)(iv) and 6.1(G) of Franchise Agreement); and
- (iii) administer the use of any collected marketing fees, if any, for promotional activities, promotional materials, and national, regional, and/or local advertising (See Section 7.3 of Franchise Agreement).

Advertising: You will pay a marketing fee based on the actual advertising expenses for local, regional, and national advertising for the Restaurant and the marketing area in which it is located. The marketing fee will be an amount not to exceed ten percent (10%) of Gross Receipts based on the actual advertising expenses of the Company-owned Restaurant you acquire, subject to increase to cover your Restaurant's allocable share of future marketing and advertising initiatives. Those allocations will be made consistent with past practices. The advertising program may include national, regional, or local advertising in print, radio, television, out-of-home, and/or digital and social channels. System advertising is generated by in-house advertising talent and multiple agencies.

We may in the exercise of our sole discretion offer certain additional marketing or other incentive funds and programs to one or more Franchise Partners in connection with certain special circumstances or situations that arise from time to time, such as assisting with brand-building in low awareness areas, including new markets, new locations, enhancing the physical premises of Steak 'n Shake Restaurant facilities, or other challenging situations which may have a detrimental effect on sales and profits. We are not under any obligation to offer these additional marketing or other incentive funds and programs or any other assistance of this type to you under any circumstances. Such additional marketing or other incentive funds and programs do not grant you any contract rights, are not part of your contract, and do not modify or affect our or your contract rights and obligations under the Franchise Agreement. We may change or cancel our internal programs and policies at any time.

We expect you to implement local advertising; however, you must use only those materials we approve or supply. As part of local, regional, or national marketing efforts, Franchise Partners are required to participate in temporary or permanent promotional campaigns, honor coupons, and participate in giveaway promotions for food or drink items at their respective Steak 'n Shake Restaurants. You must participate in these promotional programs and campaigns and such participation will be at your own cost, including the costs to purchase, lease, and install all promotional campaign materials and devices, including table tents, counter cards, posters, banners, signs, menuboards, panels, photographs, give-away items, and gift cards. The

allocation of advertising expenses to Restaurants owned by our Parent is on the same basis as Franchise Partners. We are not required to spend any certain amount on advertising in your area. You will not receive a periodic accounting of how advertising funds are spent. We are not required to ensure that any Franchise Partner benefits directly or *pro rata* from the expenditure of any advertising funds.

You must participate in our online/mobile ordering and loyalty programs and use the approved suppliers of such programs at your sole cost.

We intend, to the extent we are able, to assist you in any of the above matters on an informal basis, including advice and creative resources to support any local, Restaurant, market, or regional advertising by Franchise Partners.

Selection of Location: Each franchisee is granted the right to become a Franchise Partner as to a specific Company-owned Steak 'n Shake Restaurant location. As a franchisee, you will enter into a Lease or Sublease with our Parent for the premises of the specific Company-owned Restaurant you acquire as a franchisee.

Required Technology/Computer System: Your Restaurant will be equipped with the Required Technology, including back office and point of sale hardware and software. Most of the Required Technology will be provided under the Equipment Lease and included within the \$2,000 per month equipment rental fee. We have the right, but not the obligation, to develop or have developed, or to designate: (i) all Required Technology you must install at your expense; (ii) updates, supplements, modifications, or enhancements to the Required Technology that you must install at your expense; (iii) the tangible media you must use to record data; and (iv) the database file structure and network configuration of the Required Technology.

You must purchase any Required Technology we do not provide through the Equipment Lease from other vendors we may approve in our sole discretion. We are not required to approve an alternate vendor for the Required Technology, but as a condition to approving any new vendor, we may require that you pay: (i) all costs and expenses we incur in testing and evaluating the alternate supplier of the proposed Required Technology; and (ii) our then-current hourly rate for initial and ongoing custom integration work or services required so that we can retrieve or supply financial and operational data related to the Restaurant operations for such non-standard Required Technology.

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 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.

You must obtain annual support contracts with vendors we require at your expense, which may include support services we provide for an additional fee at our then-current prices for such support services. You are solely responsible for protecting yourself from viruses, computer hackers and other privacy, data breach, and/or computer-related problems, and you must take steps necessary to comply with the Payment Card Industry Data Security Standard (PCI DSS), all at your sole expense. You 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. The costs for purchases of any Required Technology and annual support contracts may range from \$12,000 to \$15,000 annually.

We have the right, at any time, to remotely access any Required Technology and retrieve data and information from your Restaurant's point of sale system and back-office systems and use such information as we deem necessary or desirable, including, without limitation, the Restaurant'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 we deem appropriate, and we may distribute this data to other franchisees or third parties on a confidential basis.

Initial Training Program: If you are applying for a franchise and you are not a Steak ‘n Shake employee, you must sign the Initial Training Agreement, which is attached to this Disclosure Document as Exhibit K. The Initial Training Agreement allows you to participate in the Steak ‘n Shake initial training program. Under the Initial Training Agreement, Steak ‘n Shake may remove you from the training program for any reason or no reason at all, and you may withdraw from the training program at any time. The Initial Training Agreement also states you will not be compensated during your training and will not be an employee of Steak ‘n Shake or of any Steak ‘n Shake’s franchisees. The Initial Training Agreement states that there is no guarantee that you will be offered a Steak ‘n Shake franchise. During the term of the Initial Training Agreement, you must not compete with us or our Parent by ownership or employment as a manager, operator, or supervisory employee of any Competing Business “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) (other than the Restaurant). If you enter into a Franchise Agreement with us, the Initial Training Agreement will terminate, and the noncompetition covenants in the Franchise Agreement will govern.

If you have been an employee of Steak ‘n Shake for the immediately preceding 6 months, have already completed the Management Development Program, and have demonstrated your ability to meet certain metrics of restaurant performance while managing a Steak ‘n Shake Restaurant, including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover, then you will not be required to complete the initial training program.

The initial training program consists of (1) our Management Development Program, which generally lasts approximately 6 weeks and (2) in-Restaurant execution/skills validation training, which includes a minimum of a 12 week period of skill validation (Week 6 to 17), followed by eligibility for Gold Standard inspection and conversion that generally lasts approximately three to eighteen months (Week 18 to 78), depending on your pace, skills and results. As part of the training program, you must perform and master all of the crew and management functions at the restaurant and demonstrate that you are able to meet certain metrics during your in-restaurant execution training, including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover in addition to appropriate cost controls and labor management. You are required to complete all aspects of the training program to Steak ‘n Shake’s satisfaction to be qualified to operate a Steak ‘n Shake Restaurant. You must complete the training program successfully before signing the Franchise Agreement.

Steak ‘n Shake pays for the cost of providing this training program to each prospective Franchise Partner. You are responsible for the costs of traveling, living, and other expenses incurred by you during this training program. You are not an employee of Steak ‘n Shake and will not be compensated by Steak ‘n Shake for or during any training described in this Item 11.

The Management Development Program portion of the initial training program is a structured training program designed to teach you the fundamentals of operating a Steak n Shake By Biglari Restaurant, including restaurant operations, leadership development, restaurant management skills, food safety, and overall business development. You must complete the required restaurant training and additional in-restaurant skills validation.

Our training program begins with hospitality, hands-on technical and management training in which you will be trained on every position in the Restaurant and in our Restaurant management systems and tools. Each training day is broken into manageable tasks ranging from hands-on training, to reading assignments, and e-learning programs. The second phase of training focuses on basic supervision training to allow you to learn to use the tools available for supervising the back and front 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. The fourth and final phase of training further develops skills for managing food and labor cost, talent, and guest experiences.

As part of our training program, you are required to demonstrate competency in all functions while under the supervision of our Training General Manager or Training Franchise Partner in a Certified Training Restaurant, which may be operated by Steak ‘n Shake, its Franchise Partner or its franchisees. Steak ‘n Shake may, in its sole discretion, elect to outsource and/or subcontract certain of Steak ‘n Shake's

obligations to subsidiaries, Affiliates, and/or contract employees; provided any such outsourcing and/or subcontracting shall not discharge Steak 'n Shake from its obligations under the initial training program, and any such outsourced or subcontracted obligations shall be performed in accordance with the initial training program.

Once you successfully complete the Management Development Program described above, you will be required to complete the in-Restaurant execution/skills validations portion of the training program, which generally will last approximately four to eight months, depending on your pace and skills. You will be required to demonstrate your ability to run a Restaurant and meet certain metrics of store performance under your leadership including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover as a result of executing Steak n Shake's brand standards. The following table summarizes our initial training program.

Franchise Partner Training	Hours of Learning	Hours of On The Job Training	Location
Position Training <i>Dish, Host, Fountain, Drive Thru, Grill, Toast, Steam, Dressing Table 1 & 2, Fry, and Expo</i>	15	65	Certified Training Restaurant
Shift Management Functions <i>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.</i>	20	60	
General Manager Functions <i>Leadership Skills, Writing schedules, Labor Management, COGS Management, Inventory, Ordering, Cash Systems, Reporting tools, Time Card Admin, Equipment Maintenance, HR Functions, Guest Experience Data.</i>	20	60	
Totals for Franchise Partner Training	55	185	Combined Total: 240

⁽¹⁾ We use various locations to conduct training, including certain franchise locations. The Management Development Training will take place in a designated Restaurant under the supervision of a Training Franchise Partner or Training General Manager in a Certified Training Restaurant.⁽²⁾ The In-Restaurant Validation will take place in the restaurant that is anticipated to be your restaurant if you become a Franchise Partner.

Franchise Partner Training	Hours of Learning	Hours of On The Job Training	Location
Position Training <i>Dish, Host, Fountain, Drive Thru, Grill, Toast, Steam, Dressing Table 1 & 2, Fry, and Expo</i>	15	65	Certified Training Restaurant
Shift Management Functions <i>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.</i>	20	60	
General Manager Functions <i>Leadership Skills, Writing schedules, Labor Management, COGS Management, Inventory, Ordering, Cash Systems, Reporting tools, Time Card Admin, Equipment Maintenance, HR Functions, Guest Experience Data.</i>	20	60	
Totals for Franchise Partner Training	55	185	Combined Total: 240

Franchise Partner Validation		Typical Time Frame	Location
Management Skill Validation <i>Leadership and Management Skills</i>	Soft Landing	Week 6 to week 17	Slated Store
Gold Standard Validation <i>Store performance in guest experience, cost control, sales growth, and brand standards.</i>	Conversion eligibility	18 to 78 weeks	Slated Store
Totals for Franchise Partner Validation		18 to 78 weeks	Slated Store
Totals for all Training and Validation:			Program Total: 18 to 78 weeks

In addition, Steak 'n Shake may, at its election from time to time, offer various programs to or permit the adoption of programs by Franchise Partners to use in promoting or marketing products, recruiting and retaining restaurant personnel or for other purposes that are not expressly set forth in the Franchise Agreement. All details concerning any such programs, such as purpose, timing, implementation, cost sharing and other matters, will be determined by Steak 'n Shake on a case-by-case basis.

You must train any managerial personnel that you may hire to assist in operating your franchised Steak 'n Shake Restaurant business using our Management Development Program. Subject to your obligations under the Franchise Agreement regarding confidentiality, you must use Steak 'n Shake's proprietary University training and operational materials in such training. Steak 'n Shake's Field Training Management staff will schedule validation visits to observe trained manager performance and provide you with feedback on any performance gaps. You are expected to create an action plan to resolve these knowledge and skill gaps within 30 days.

We require 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.

You must also train your production staff to execute the brand standards using Steak 'n Shake University and the Station Training Learner Journeys. Certifying your team using these training tools will ensure their alignment to the brand standards and guest experience.

Operating Manual: The table of contents of Steak 'n Shake's proprietary Manual is set forth in Exhibit H. 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.

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. Our affiliates may also own and operate Steak 'n Shake Restaurants or control competitive brands.

You will be granted the limited right to operate an existing Steak 'n Shake Restaurant at a specific location. The rights granted to you under the Franchise Agreement are limited to your Steak 'n Shake Restaurant location only. You will neither acquire nor have any right to use, or to license the use of, any name, mark, or other intellectual property right under the Franchise Agreement. Your rights to use the Marks in connection with the operation of your Steak 'n Shake Restaurant and business at the specified location are granted to you through the License Agreement.

You will not receive an exclusive or protected territory, express or implied. The Franchise Agreement contains no exclusive grant, exclusive area, exclusive territorial rights, protected territory, or right for you to exclude, disapprove, control, or impose conditions on the location, development, or operation of current or future Steak 'n Shake Restaurants. The sales and customer trading patterns that a Steak 'n Shake Restaurant experiences at any particular time are subject to change by reason of many factors, including our and our affiliates' ongoing development of Steak 'n Shake Restaurants. Franchise Partners do not have a right to alter these patterns and should not expect that these patterns will never change. We and our affiliates have the right to establish other Franchise Partner-run or Company-owned or operated restaurants both within and outside the geographic and customer trading pattern areas surrounding your Steak 'n Shake Restaurant, and we and they reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing both within and outside the geographic and customer trading pattern areas surrounding your Steak 'n Shake Restaurant. Any internal policies that we and our affiliates may

develop, apply, and modify periodically in connection with decisions to develop new Steak ‘n Shake Restaurants (all of which are subject to change at any time in our discretion) do not grant you any contract rights, are not part of your contract, and do not modify or affect our and our affiliates’ contract rights and obligations or your contract rights and obligations under the Franchise Agreement, the Lease, or the License Agreement.

We are not required to pay you if we exercise any of the rights specified above outside or inside the geographic and customer trading pattern areas surrounding your Steak ‘n Shake Restaurant. We do not restrict you from soliciting or accepting authorized food and beverage orders from outside the geographic and customer trading pattern areas surrounding your Steak ‘n Shake Restaurant (subject to your ability to comply with then-current requirements and standards), but you do not have the right to use other unapproved channels of distribution to make sales outside the geographic and customer trading pattern areas surrounding your Steak ‘n Shake Restaurant, and 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.

You will have no right to relocate your Steak ‘n Shake Restaurant. If you wish to relocate your Steak ‘n Shake Restaurant to another location, we may, but are under no obligation to, grant you a franchise to operate a different Company-owned Steak ‘n Shake Restaurant, if available. Franchise Partners who are granted a franchise for a different Company-owned Steak ‘n Shake Restaurant in this manner are required to terminate their existing Franchise Agreement and to execute a new Franchise Agreement (including all related Appendices) and pay the initial franchise fee due under the new Franchise Agreement. We are under no obligation to offer you the opportunity to operate additional Steak ‘n Shake Restaurants, and we reserve the right not to offer you the opportunity to operate additional Steak ‘n Shake Restaurants.

We and/or our affiliates may operate or license others to operate any business competitive with the business of its Franchise Partners under a name other than Steak ‘n Shake. As of the date of this Disclosure Document, neither we nor any of our affiliates has formulated any plans or policies to operate or license others to operate any such business, but we and/or our affiliates may establish other or similar businesses at some future date.

ITEM 13

TRADEMARKS

Registrations, Litigation and Infringing Uses

Our affiliate, Steak n Shake, LLC, owns, individually or jointly, the trademarks used in connection with the franchise business and will license or sublicense those Marks directly to you under the License Agreement. 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
HOME OF THE ORIGINAL STEAKBURGER	86760033	5071293	11/1/2016
IN SIGHT IT MUST BE RIGHT	75594510	2272454	8/24/1999

Trademark	Serial Number	Reg. Number	Reg. Date
IN SIGHT IT MUST BE RIGHT	72407859	948362	12/5/1972
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
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
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

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 13.² 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 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 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

² 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.

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. 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, 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 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 must agree that any failure (whether intentional or accidental) to comply with all obligations respecting Confidential Information as set forth in the Franchise Agreement shall constitute a material event of default and we may immediately terminate your Franchise Agreement without any notice or opportunity to cure.

You will enter into the Franchise Agreement, the Lease, and the License Agreement as an individual. If you choose to assign such agreements at a later date to an entity wholly-owned by you, then at the time of assignment, you will be required to execute our then-current form of assignment and assumption agreement and personal guaranty for each agreement, the current form of which is attached as Exhibit D to this Disclosure Document. Each of your managers and employees with access to confidential information must execute the Confidentiality and Waiver Agreement attached to the Franchise Agreement as Appendix D. The Franchise Agreement 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 we may immediately terminate the Franchise Agreement 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 Franchise Agreement requires you to devote your full time and personal best efforts to operate your Steak 'n Shake Restaurant to attempt to achieve the highest sales and profits possible and to diligently develop and promote the reputation and the goodwill of your Steak 'n Shake Restaurant, the Steak 'n Shake system, and the Marks. This requirement will, for all practical purposes, require you to directly supervise your Steak 'n Shake Restaurant.

You must sign the Franchise Agreement, Lease (or Sublease), and License Agreement as an individual. We and our affiliates may allow you to assign all such agreements to a single corporation, limited liability company, or other form of business entity then approved by us and our affiliates, which is formed solely for the convenience of ownership. Under the Assignment and Assumption Agreement (Exhibit D) that must be signed as a condition of any assignment, you must be the sole owner of the business entity and must personally guarantee and remain personally bound by each and every term and condition of the Franchise Agreement, Lease (or Sublease), and License Agreement. The proposed transferee business entity must assume all of your obligations under all such agreements.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE 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 the 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

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

The Franchise Agreement includes the Lease and the Sublease, and the Franchise Agreement is only effective in conjunction with the Lease Agreement. The Lease and Sublease forms and the License Agreement are summarized in separate tables below. The Franchise Agreement, the Lease (or Sublease), and the License Agreement, and their respective summary tables, should be read together and considered as a whole.)

Franchise Agreement (“FA”)

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	2	Term terminates on the earlier of December 31 of year that Franchise Agreement is signed or when Lease expires if earlier.
b. Renewal or extension of term	2	Automatically extended for one-year periods unless written notice given at least 30 days prior to end of existing term by either party.
c. Requirements for franchisee to renew or extend	2	In the Franchise Partner program, the term “renewal” means that we extend the term of your Franchise Agreement on the same terms and conditions, unless we notify you 45 days before the current term ends of any changes. If you agree to the changes, you and we sign an amendment to the Franchise Agreement documenting those changes. We have no other renewal requirements, but we can give you 30 days prior written notice of nonrenewal if you are in default, if an unresolved dispute exists regarding revenues or payments, if there has been an unauthorized transfer or attempt to transfer, you in your capacity as Franchise Partner have not devoted full time and best efforts to your Steak ‘n Shake Restaurant or we have grounds to terminate. In addition, we reserve the right to change the terms and conditions of your Franchise Agreement by giving you written notice of the changes at least 45 days prior to end of the existing term. This includes, but is not limited to, our right to change the Established Percentage for purposes of calculating the System Service Fee, but the Established Percentage will not exceed 15% .
d. Termination by franchisee	11.1	Must give 30 days prior written notice to us. You can also terminate if we fail to rebuild or restore your Steak ‘n Shake Restaurant premises after a fire or other casualty. See item d. in the table below for the Lease (or Sublease).
e. Termination by franchisor without cause	11.1	We can terminate without cause upon 30 days prior written notice to you; or immediately upon written notice to you and payment of the greater of \$1,000 or an amount determined by a formula. We can also terminate immediately and without notice to you (i) within the first 90 days of the term without any payment; (ii) upon termination of the Lease (or Sublease) for the site of your Steak ‘n Shake Restaurant; (iii) upon termination of the License Agreement; or (iv) upon your death or permanent disability, in your capacity as Franchise Partner.
f. Termination by franchisor with cause	11.1	We can terminate if you commit one of the listed defaults.
g. “Cause” defined – curable defaults	Not applicable	Not applicable
h. “Cause” defined – non-curable defaults	11.1	We can terminate if you subject us or our affiliates, the Steak ‘n Shake Restaurant, or the Marks to public scandal; you or Franchise Partner breach or threaten to breach any material duty or obligation under the Franchise Agreement, the attached Lease (or Sublease),

Provision	Section in Franchise Agreement	Summary
		the License Agreement, the Steak 'n Shake operations and training manuals, any prime lease or ground lease, including the failure to pay any required payment; the Steak 'n Shake Restaurant business is discontinued; you or Franchise Partner commit fraud, file for bankruptcy, make an assignment for the benefit of creditors, are adjudicated insolvent or a receiver is appointed for you or Franchise Partner or your or Franchise Partner's respective property; you fail to comply with our policies, procedures, programs, operating standards, and other standards and specifications; you or Franchise Partner fail to comply with in-term covenant against competition; if you or Franchise Partner purport to assign the Franchise Agreement without our approval; or an event occurs which under applicable law is grounds for termination.
i. Franchisee's obligations on termination/non-renewal	11.2	The License Agreement and the Lease automatically expire, and you must immediately vacate your Steak 'n Shake Restaurant premises, return all equipment to our Parent, pay us and all affiliates all sums due, cease to use all trademarks, patents, copyrights, and any other intellectual property licensed to you, return all manuals and other information to us, and terminate all banking arrangements and credit card processing arrangements. You must also comply with the terms of any covenant not to compete with us and our affiliates and other obligations that survive termination or expiration of the Franchise Agreement.
j. Assignment of contract by franchisor	13.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	13.2	Includes any transfer or assignment of your Franchise Agreement or in a business entity to which you have assigned the Franchise Agreement for convenience of ownership and any attempt to sublet or encumber the premises upon which your Steak 'n Shake Restaurant is located.
l. Franchisor approval of transfer by franchisee	13.2	No transfer allowed except to a single approved form of business entity for convenience of ownership. We must approve all transfers.
m. Conditions for franchisor approval of transfer	13.2	Conditions include the business entity must be newly organized and its organizational documents must state that its activities will be confined exclusively to operation of the Steak 'n Shake Restaurant business; the name must not contain the term "Steak 'n Shake" or any other Marks licensed to you, or any derogatory or non-professional terms; you, individually, as the Franchise Partner, must own and control 100% of the ownership interests in the business entity and must be the sole director or sole member/manager and principal executive officer, as applicable; the formation and organizational documents and any equity ownership certificate must recite that the transfer of securities is restricted by the Franchise Agreement; you and the business entity must sign our form of Assignment and Assumption Agreement and you must personally guarantee the assignee entity's obligations; you must provide us with copies of all governing documents, which must be reasonably satisfactory to us; you must maintain the business entity in good standing; and you, individually, as Franchise Partner, must

Provision	Section in Franchise Agreement	Summary
		continue to devote full time and personal best efforts to operating the Steak 'n Shake Restaurant business.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o. Franchisor's option to purchase franchisee's business	11.3	Upon termination of the Franchise Agreement, we have the right to purchase, at our option, any Required Technology, vending machines, equipment, fixtures, furnishings, interior or exterior signage, air handling equipment, smallwares, operating supplies, utensils, goods, or other personal property owned by you at your Steak 'n Shake Restaurant. We also have the right to purchase all of your unbroken inventory packages of approved items and usable and salable supplies at your cost.
p. Death or disability of franchisee	11.1	Upon your death, or if you become disabled to the extent that you are unable to perform your respective obligations under the Franchise Agreement, the Franchise Agreement will terminate automatically.
q. Non-competition covenants during the term of the franchise	12.1	You will start initial training before signing a Franchise Agreement, and you will sign our Initial Training Agreement before starting this training. Under the Initial Training Agreement, you must not compete with us or our Parent by ownership or employment as a manager, operator, supervisory employee, officer, agent, or consultant of any Competing Business. "Competing Business" means any restaurant business that either (i) derives 25% or more of its annual revenue from the sale of ground beef sandwiches and ice cream products (regardless of the volume sold) (other than the Restaurant). If you and we enter into a Franchise Agreement, you and the Franchise Partner, if applicable, must not compete with us or our Parent by ownership or employment as a manager, operator, supervisory employee, officer, agent or consultant of any Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	12.2	You and the Franchise Partner must not compete with us or our Parent for one year following any expiration or termination of the Franchise Agreement, by ownership or employment as a manager, operator, supervisory employee, officer, agent or consultant of any Competing Business. "
s. Modification of the agreement	1, 4.1, 4.3, 5.1, 6.1, 10.4, 16.7, 17.2	Agreement may only be modified by the execution of a written agreement between both parties; operations and training manuals and materials are subject to change at any time.
t. Integration/merger clause	16.9	Only the terms of the Franchise Agreement, including all schedules, appendices, and ancillary agreements are binding (subject to state law).
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	15	Litigation must be in the Indianapolis, Indiana area (subject to state law).
w. Choice of law	15	Indiana law applies (subject to state law).

Lease

*In this table, “franchise” and “Lease” have the same meanings; “franchisee” is the Tenant under the Lease and is “you” or “your” in the table; “franchisor” is the “Landlord” under the Lease.

Provision*	Section in Lease	Summary
a. Length of the franchise term	2	Term terminates on the earlier of December 31 of the year that the Agreement is signed or when the Franchise Agreement terminates or expires if earlier.
b. Renewal or extension of term	2	Automatically extended for one-year periods unless written notice given at least 30 days prior to the end of the existing term by either party. See item “b.” of the table above for the Franchise Agreement.
c. Requirements for franchisee to renew or extend	2	No requirements except that you cannot renew the Lease if you do not have the right to renew the Franchise Agreement or the Franchise Agreement is otherwise not renewed. See item “c.” of the table above for the Franchise Agreement.
d. Termination by franchisee	6, 10	You do not have an express right to terminate the Lease, but as described in item “d.” of the table above for the Franchise Agreement, you may terminate the Franchise Agreement by giving 30 days prior written notice to us, in which event the Lease will terminate immediately upon termination of the Franchise Agreement. You may also terminate the Franchise Agreement if our Parent fails to rebuild or restore your Steak ‘n Shake Restaurant premises after a fire or other casualty, which will also simultaneously terminate the Lease.
e. Termination by franchisor without cause	2, 10	We can terminate the Franchise Agreement without cause as described in item “e.” of the table above for the Franchise Agreement, in which event the Lease will terminate immediately upon termination of the Franchise Agreement. The Lease will also automatically terminate immediately upon the expiration or termination of any prime lease or ground lease as well as or upon your death or permanent disability, in your capacity as Franchise Partner.
f. Termination by franchisor with cause	10	Our Parent can terminate the Lease if you commit one of the listed defaults. The Lease terminates automatically if our Parent gives written notice after the occurrence of certain events.
g. “Cause” defined – curable defaults	10	You have ten days to cure a default under the Lease, other than a non-payment default.
h. “Cause” defined – non-curable defaults	10	Termination, expiration or revocation of the Franchise Agreement will terminate the Lease effective immediately, without any notice required. The Lease terminates automatically if your entire Steak ‘n Shake Restaurant premises are condemned under eminent domain or acquired in lieu of condemnation, and our Parent may terminate the Lease by written notice if only a portion of the premises are condemned or acquired or if the premises are damaged by fire or other casualty. Our Parent can terminate effective immediately by giving notice to you if you default in making any payment due under the Lease, you or the Franchise Partner purport to assign the Lease, sublet or allow a third-party to occupy the premises without consent, you or the Franchise Partner default under the Franchise Agreement or the Franchise Agreement expires, you, the Franchise Partner, or any of your officers, directors, members, employees, agents or contractors performs any act, neglects to perform any duty or fails to adhere to any standard of conduct that would constitute a violation or default under any title document (or any related document), you or the Franchise Partner file

Provision*	Section in Lease	Summary
		for bankruptcy, make an assignment for the benefit of creditors, are adjudicated insolvent or a receiver is appointed for you or the Franchise Partner or your or the Franchise Partner's respective property or an involuntary petition is filed against you or the Franchise Partner and not dismissed or stayed within 60 days, or you vacate or abandon the premises of the Steak 'n Shake Restaurant business.
i. Franchisee's obligations on termination/non-renewal	10, 11	You must immediately vacate your Steak 'n Shake Restaurant premises and permit the peaceful possession of the premises by our Parent. Also see item "i." of the table above for the Franchise Agreement.
j. Assignment of contract by franchisor	16	No restriction on our Parent's right to assign.
k. "Transfer" by franchisee – defined	16	Includes any transfer or assignment of the Lease or in a business entity to which you have assigned the Franchise Agreement for convenience of ownership and any attempt to sublet or encumber the premises upon which your Steak 'n Shake Restaurant is located.
l. Franchisor approval of transfer by franchisee	16	No transfer allowed except to a single approved form of business entity for convenience of ownership. Our Parent has the right to approve all transfers. See item "l." of the table above for the Franchise Agreement.
m. Conditions for franchisor approval of transfer	16	See item "m." of the table above for the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o. Franchisor's option to purchase franchisee's business	Not applicable	See item "o." of the table above for the Franchise Agreement.
p. Death or disability of franchisee	2	Upon the Franchise Partner's death, or if the Franchise Partner becomes disabled to the extent that Franchise Partner is unable to perform its obligations under the Franchise Agreement, the Lease will terminate automatically.
q. Non-competition covenants during the term of the franchise	Not applicable	See item "q." of the table above for the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	See item "r." of the table above for the Franchise Agreement.
s. Modification of the agreement	2, 16	The Lease may only be modified by the execution of a written agreement by our Parent, except use and enjoyment of the premises could be restricted or changed as a result of an amendment or modification by our Parent, including an amendment or modification to a prime lease, ground lease, or title documents.
t. Integration/merger clause	16	Only the terms of the Lease and the Franchise Agreement to which the Lease is attached are binding (subject to state law).
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	16	Litigation must be in the Indianapolis, Indiana area (subject to state law).
w. Choice of law	16	Indiana law applies (subject to state law).

Sublease

*In this table, “franchise” and “Sublease” have the same meanings; “franchisee” is the Sublessee under the Sublease and is “you” or “your” in the table; “franchisor” is the “Sublessor” under the Sublease.

Provision*	Section in Sublease	Summary
a. Length of the franchise term	2	Term terminates on the earlier of December 31 of the year that the Agreement is signed or when the Franchise Agreement or prime lease terminates or expires, if earlier.
b. Renewal or extension of term	2	Automatically extended for one-year periods unless written notice given at least 30 days prior to the end of the existing term by either party. See item “b.” of the table above for the Franchise Agreement.
c. Requirements for franchisee to renew or extend	2	No requirements except that you cannot renew the Sublease if you do not have the right to renew the Franchise Agreement or the Franchise Agreement is otherwise not renewed. See item “c.” of the table above for the Franchise Agreement.
d. Termination by franchisee	2, 16	You do not have an express right to terminate the Sublease, but as described in item “d.” of the table above for the Franchise Agreement, you may terminate the Franchise Agreement by giving 30 days prior written notice to our Parent, in which event the Sublease will terminate immediately upon termination of the Franchise Agreement. You may also terminate the Franchise Agreement if our Parent fails to rebuild or restore your Steak ‘n Shake Restaurant premises after a fire or other casualty, which will also simultaneously terminate the Sublease.
e. Termination by franchisor without cause	2, 16	We can terminate the Franchise Agreement without cause as described in item “e.” of the table above for the Franchise Agreement, in which event the Sublease will terminate immediately upon termination of the Franchise Agreement. The Sublease will also automatically terminate immediately upon the expiration or termination of any prime lease or ground lease as well as or upon your death or permanent disability.
f. Termination by franchisor with cause	16	Our Parent can terminate if you commit one of the listed defaults. The Sublease terminates automatically or if our Parent gives written notice after the occurrence of certain events.
g. “Cause” defined – curable defaults	16	You have ten days to cure a default under the Sublease, other than a non-payment default.
h. “Cause” defined – non-curable defaults	2, 16, 26, 27	Termination, expiration, or revocation of the Franchise Agreement or the License Agreement will terminate the Sublease effective immediately, without any notice required. The Sublease terminates automatically if your entire Steak ‘n Shake Restaurant premises are condemned under eminent domain or acquired in lieu of condemnation, and our Parent may terminate the Sublease by written notice if only a portion of the premises are condemned or acquired or if the premises are damaged by fire or other casualty. Our Parent can terminate effective immediately by giving notice to you if you default in making any payment due under the Sublease, you purport to assign the Sublease, sublet, or allow a third party to occupy the premises without consent, you default under the Franchise Agreement or the License Agreement or the Franchise Agreement, the License Agreement, or the prime lease expires, you or any of your officers, directors, members, employees, agents, or contractors perform any act, neglect to perform any duty, or fail to adhere to any standard of conduct that would constitute a violation or default under the prime lease.

Provision*	Section in Sublease	Summary
i. Franchisee's obligations on termination/non-renewal	2, 6	You must immediately vacate your Steak 'n Shake Restaurant premises and permit the peaceful possession of the premises by our Parent. Also see item "i." of the table above for the Franchise Agreement.
j. Assignment of contract by franchisor	Not applicable	No restriction on our Parent's right to assign.
k. "Transfer" by franchisee – defined	14, 36	Includes any transfer or assignment of the Sublease or in a business entity to which you have assigned the Franchise Agreement for convenience of ownership and any attempt to sublet or encumber the premises upon which your Steak 'n Shake Restaurant is located.
l. Franchisor approval of transfer by franchisee	14, 36	No transfer allowed except to a single approved form of business entity for convenience of ownership. Our Parent has the right to approve all transfers. See item "l." of the table above for the Franchise Agreement.
m. Conditions for franchisor approval of transfer	36	See item "m." of the table above for the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable.
o. Franchisor's option to purchase franchisee's business	Not applicable	See item "o." of the table above for the Franchise Agreement.
p. Death or disability of franchisee	2, 16	Upon your death, or if you become disabled to the extent that you are unable to perform your obligations under the Franchise Agreement, the Sublease will terminate automatically.
q. Non-competition covenants during the term of the franchise	Not applicable	See item "q." of the table above for the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	See item "r." of the table above for the Franchise Agreement.
s. Modification of the agreement	4, 32	The Sublease may only be modified by the execution of a written agreement by our Parent, except for an amendment or modification to a prime lease.
t. Integration/merger clause	32	Only the terms of the Sublease, the attached prime lease, and the Franchise Agreement to which the Sublease is attached are binding (subject to state law).
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
v. Choice of forum	20	Litigation must be in the Indianapolis, Indiana area (subject to state law).
w. Choice of law	20	Indiana law applies (subject to state law).

License Agreement

*In this table, "franchise" and "License Agreement" have the same meanings; "franchisee" is the "Licensee" under the License Agreement and is "you" or "your" in the table; "franchisor" is the "Licensor" under the Lease.

Provision*	Section in License Agreement	Summary
a. Length of the franchise term	2.1	Upon renewal of the Franchise Agreement, if the Franchise Agreement is renewed.
b. Renewal or extension of term	2.1	Must meet Franchise Agreement renewal requirements and sign Licensor's then-current form of the License Agreement.
c. Requirements for franchisee to renew or extend	Not applicable	You do not have an express right to terminate the License Agreement, but as described in item "d." of the table above for the Franchise Agreement, you may terminate the Franchise Agreement by giving 30 days prior written notice to us, in which event the License Agreement will terminate immediately upon termination of the Franchise Agreement.
d. Termination by franchisee	2.3	We can terminate the Franchise Agreement without cause as described in item "e." of the table above for the Franchise Agreement, in which event the License Agreement will terminate immediately upon termination of the Franchise Agreement.
e. Termination by franchisor without cause	2.2	Licensor can terminate the License Agreement if you commit one of the listed defaults.
f. Termination by franchisor with cause	2.2	Licensor may, but is not obligated to, provide any cure period for any of the following defaults: you fail to pay all amounts due under the License Agreement; you misuse or make any unauthorized use of the Marks; you commit any act which can reasonably be expected to materially impair the goodwill associated with the Marks; you fail to comply with any other term, condition, or covenant of the License Agreement.
g. "Cause" defined – curable defaults	2.2	Licensor may, but is not obligated to, provide any cure period for any of the following defaults: you fail to pay all amounts due under the License Agreement; you misuse or make any unauthorized use of the Marks; you commit any act which can reasonably be expected to materially impair the goodwill associated with the Marks; you fail to comply with any other term, condition, or covenant of the License Agreement.
h. "Cause" defined – non-curable defaults	2.1	Upon renewal of the Franchise Agreement, if the Franchise Agreement is renewed.
i. Franchisee's obligations on termination/non-renewal	2.2	The Franchise Agreement (and the Lease (or Sublease)) automatically expire, you must immediately vacate your Steak 'n Shake Restaurant premises, return all equipment to our Parent, pay us and all affiliates all sums due, cease to use all trademarks, patents, copyrights, and any other intellectual property licensed to you, return all manuals and other information to us, and terminate all banking arrangements and credit card processing arrangements. You must also comply with the terms of any covenant not to compete with us and our affiliates and other obligations that survive termination or expiration of the Franchise Agreement.
j. Assignment of contract by franchisor	3.1	Licensor may assign its interest in the License Agreement without providing you notice and without your consent.
k. "Transfer" by franchisee – defined	3.2	You can only assign the License Agreement or your interest in the License Agreement in conjunction with the assignment of the Franchise Agreement and as required by the Franchise Agreement.
l. Franchisor approval of transfer by franchisee	3.2	As required by the Franchise Agreement; no transfer is allowed except to a single approved form of business entity for convenience of ownership. We must approve all transfers.

Provision*	Section in License Agreement	Summary
m. Conditions for franchisor approval of transfer	3.2	See item “m.” of the table above for the Franchise Agreement.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Not applicable	Not applicable
o. Franchisor’s option to purchase franchisee’s business	Not applicable	Not applicable
p. Death or disability of franchisee	2.3	See item “p.” of the table above for the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable, but see item “q.” of the table above for the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable, but see item “r.” of the table above for the Franchise Agreement.
s. Modification of the agreement	4.3	The License may only be modified by the execution of a written agreement by the Licensor.
t. Integration/merger clause	4.2	Only the terms of the License Agreement and the Franchise Agreement are binding (subject to state law).
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	4.5	Litigation must be in the Indianapolis, Indiana area (subject to state law).
w. Choice of law	4.6	Indiana law applies (subject to state law).

Administrative Services Agreement

* In this table, “franchise” and “Administrative Services Agreement” have the same meanings; “franchisee” is the Service Recipient under the Administrative Services Agreement and is “you” or “your” in the table; “franchisor” is the “Service Provider” under the Administrative Services Agreement.

Provision*	Section in License Agreement	Summary
a. Length of the term	4.1	Administrative Services Agreement shall be for a period (“Term”) concurrent with the Franchise Agreement and any renewal thereof
b. Termination by franchisee	5.2	If either party breaches any material obligation hereunder and such breach is not cured within ten (10) days after its occurrence, the non-breaching party to the Agreement may immediately terminate this Agreement.
c. Termination by franchisor without cause	5.1	Either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party hereto.
d. Termination by franchisor with cause	5.1	Either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party hereto.
e. Franchisor approval of transfer by franchisee	8.2	Agreement may not be assigned (including by operation of law) by any party without the prior written consent of the other party, and any purported assignment, unless so consented to, shall be void and without effect.

Provision*	Section in License Agreement	Summary
f. Modification of the agreement	8.3	This Administrative Services Agreement may be amended, superseded, canceled, renewed or extended only by a written instrument signed by the parties hereto.
g. Integration/merger clause	8.10	This Administrative Services Agreement, including all attached Exhibits, is the complete and exclusive statement of agreement between the parties and supersedes all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter of this Agreement.
h. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
i. Choice of forum	Not applicable	Not applicable
j. Choice of law	8.9	Indiana law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

Steak 'n Shake does not currently use any public figure to promote its franchises.

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.

FINANCIAL PERFORMANCE REPRESENTATIONS FOR FRANCHISE PARTNERS

The financial performance representations in this section include unaudited profit earned by 155 Franchise Partners for the full year ended December 31, 2025. For purposes of this Item 19, the terms "Annual Earnings" include all Additional Profit and Minimum Profit, as such terms are defined in the Table to Item 6 above" retained by the Franchise Partner from the operations of the Restaurant. The following information does not include information from the 24 Franchise Partners operating Restaurants open as of December 31, 2025, but were not operating as a Franchise Partner for the full 2025 year.

**Table No. 1 Average Annual Earnings¹ Distribution by Quartile
during One Year Period ending on December 31, 2025**

Average Annual Earnings Distribution by Quartile	
First Quartile	\$190,637
Second Quartile	\$140,580
Third Quartile	\$111,129
Fourth Quartile	\$75,643

Highest Annual Franchise Partner Earnings	\$ 260,318
Lowest Annual Franchise Partner Earnings	(\$36,234)
Average Annual Earnings	\$129,845
Median Annual Earnings	\$122,440

70 out of 155 Franchise Partners, or 45.2% met or exceeded the average annual Earning for Restaurants operated by Franchise Partners over the one-year period ending December 31, 2025. Average annual Earnings were taken from Restaurants operated by Franchise Partners open at least 12-months during the period ended December 31, 2025.

While the one-year franchise partners' average earnings are \$129,845, the five-year average is similar. Over the last five years, the average franchise partner made \$130,150.

Highest Annual Franchise Partner Earnings Over the Last Five Years	\$286,276
Lowest Annual Franchise Partner Earnings Over the Last Five Years	(\$139,714)
Average Annual Earnings Over the Last Five Years	\$130,150
Median Annual Earnings Over the Last Five Years	\$128, 855

Some franchise partners have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

We urge you to consult with your financial, business and legal advisers to conduct your own analysis of the information contained in this Item. Written substantiation for the material pertaining to this Item 19 is available at our principal business address and will be provided upon reasonable request.

Except as disclosed in this Item 19, 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, Real Estate and Legal (317) 633-4100, the Federal Trade Commission; and the appropriate state regulatory agencies.

¹ The Average Annual Earnings is calculated based on the Additional Profit and Minimum Profit earned by the 155 Franchise Partners who participated in the program for the full year ended December 31, 2025.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1(a)³ 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

³ 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 rebrand 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 rebrand 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)²		
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

² 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	Terminations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other	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

TABLE NO. 3(a) -STATUS OF FRANCHISE PARTNER OUTLETS

FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other	Outlets at End of Year
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
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

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	Outlets at End of Year
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)³ -STATUS OF TRADITIONAL FRANCHISED OUTLETS**FOR FY23, FY24 AND FY25**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other	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

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

TABLE NO. 3(b)³ -STATUS OF TRADITIONAL FRANCHISED OUTLETS

FOR FY23, FY24 AND FY25

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets sold to Franchisee	Reacquired by Franchisor	Ceased Operations-Other	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)³ -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	Reacquire d by Franchisor	Ceased Operations- Other	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)³ -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	Reacquire d by Franchisor	Ceased Operations- Other	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)³ -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	Reacquire d by Franchisor	Ceased Operations- Other	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. 4⁴ – STATUS OF COMPANY-OPERATED

OUTLETS FOR FY22, FY23 AND FY25

State	Year	Outlets at Start of	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

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

TABLE NO. 4⁴ – STATUS OF COMPANY-OPERATED

OUTLETS FOR FY22, FY23 AND FY25

State	Year	Outlets at Start of	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	1	0	0
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. 4⁴ – STATUS OF COMPANY-OPERATED**OUTLETS FOR FY22, FY23 AND FY25**

State	Year	Outlets at Start of	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	144⁵
	FY24	144	0	25	12	17	140⁶
	FY25	140	0	19	8	25	126⁷

⁵ 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 rebrand the balance.

⁶ 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 rebrand the balance.

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. 5(a)⁸
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

⁸ This table 5(a) presents projection information about Restaurants to be operated by Franchise Partners (not full-investment franchisees).

TABLE NO. 5(b)⁹ 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

⁹ 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.

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 I-1.

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.

Under the Franchise Partner program, you will be purchasing an existing Restaurant we currently operate. We are required to disclose whether that 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 L.

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 following agreements are attached as exhibits to this Disclosure Document:

EXHIBIT A	List of State Franchise Administrators
EXHIBIT B	List of Registered Agents for Service of Process of Steak 'n Shake Inc.
EXHIBIT C	Franchise Agreement, including the following Appendices:
	Appendix A Franchisee Information
	Appendix B-1 Lease Agreement, including Equipment Lease Addendum
	Appendix B-2 Sublease Agreement ⁽¹⁾ , including Equipment Lease Addendum
	Appendix C Pre-Authorized Bank Transfer
	Appendix D Confidentiality and Waiver Agreement
EXHIBIT C-1	Former Employee Amendment to Franchise Agreement
EXHIBIT C-2	New Franchisee Incentive Program Amendment to Franchise Agreement
EXHIBIT D	Assignment and Assumption Assignment Agreement with Personal Guaranty
EXHIBIT E	License Agreement
EXHIBIT F	Administrative Services Agreement
EXHIBIT F-1	Promissory Note
EXHIBIT G	Consolidated Financial Statements of Steak 'n Shake Inc.
EXHIBIT H	Steak 'n Shake Manual Table of Contents
EXHIBIT I-1	List of Franchised and Former Franchised Restaurants
EXHIBIT I-2	List of Former Franchise Partners
EXHIBIT J	State Specific Disclosures and Addenda to Agreements
EXHIBIT K	Initial Training Agreement
EXHIBIT L	Steak 'n Shake Inc. Guarantee of Performance
EXHIBIT M	Receipts

⁽¹⁾ Steak 'n Shake's prime leases and ground leases for the various Company-owned Steak 'n Shake Restaurant sites vary substantially from site to site because of the different requirements of landlords and property owners, so there is no model prime lease or ground lease form that will be attached to the Sublease that can be said to be a typical prime lease or ground lease by which a Franchise Partner will be bound. In every instance, the Franchise Partner will be bound by the terms and conditions of the instruments that affect the subject site.

ITEM 23

RECEIPTS

The last two pages of this disclosure document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt contains the names of our franchise sellers or brokers.

EXHIBIT A

STATE FRANCHISE ADMINISTRATORS

EXHIBIT A

STATE FRANCHISE ADMINISTRATORS

<u>ARKANSAS</u> Corporation Division Secretary of State State Capitol Bldg. 500 Woodlane Avenue, Room 256 Little Rock, AR 72201	<u>HAWAII</u> Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P O Box 40 Honolulu, HI 96813 Hawaii Commissioner of Securities State of Hawaii, Dept. of Commerce & Consumer Affairs, Business Registration Division - Securities Compliance Branch 335 Merchant Street, Rm. 203 Honolulu, Hawaii 96813	<u>LOUISIANA</u> Department of Justice Consumer Protection Section P.O. Box 94005 Baton Rouge, LA 70804
<u>CALIFORNIA</u> Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Toll Free Number: (866) 275-2677	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706	<u>MAINE</u> Banking Bureau Securities Division 121 State House Station Augusta, ME 04333-0121
<u>CONNECTICUT</u> Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800	<u>INDIANA</u> Franchise Division Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, IN 46204	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020
<u>FLORIDA</u> Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Services 2005 Apalachee Parkway Terry Rhodes Building Tallahassee, FL 32399-6500	<u>IOWA</u> Securities Division/Iowa Insurance Division Two Ruan Center 601 Locust Street, 4th Floor Des Moines, IA 50309-3738	<u>MICHIGAN</u> Department of Attorney General Consumer Protection Division Franchise Mennen Williams Bldg, First Floor 525 W. Ottawa Street Lansing, MI 48933
<u>GEORGIA</u> Office of Consumer Affairs 2 Martin Luther King, Jr. Drive S.E. Suite 356 Atlanta, GA 30334	<u>KENTUCKY</u> Office of the Attorney General Consumer Protection Division 1024 Capital Center Drive, Ste 200 Frankfort, KY 40601	<u>MINNESOTA</u> Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198

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

EXHIBIT B

**LIST OF REGISTERED AGENTS
FOR SERVICE OF PROCESS OF STEAK N SHAKE INC.**

EXHIBIT B

LIST OF REGISTERED AGENTS

<u>ALABAMA</u> CSC-Lawyers Incorporating Service Incorporated 641 South Lawrence Street Montgomery, AL 36104	<u>FLORIDA</u> Corporation Service Company 1201 Hays Street Tallahassee, FL 32301	<u>INDIANA</u> Secretary of State 200 W. Washington Street Room 201 Indianapolis, IN 46204 Corporation Service Company 135 North Pennsylvania Street Suite 1600 Indianapolis, IN 46204
<u>ARKANSAS</u> Corporation Service Company 300 Spring Building Suite 900 300 S. Spring Street Little Rock, AR 72201	<u>GEORGIA</u> Corporation Service Company 2 Sun Court, Suite 400 Peachtree Corners, GA 30092	<u>IOWA</u> Corporation Service Company 505 Fifth Avenue Suite 729 Des Moines, IA 50309
<u>CALIFORNIA</u> 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	<u>HAWAII</u> 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	<u>KANSAS</u> Corporation Service Company 2900 Southwest Wanamaker Drive, Suite 204 Topeka, KS 66604
<u>COLORADO</u> Corporation Service Company 1900 W. Littleton Blvd. Littleton, CO 80120	<u>ILLINOIS</u> Attorney General State of Illinois 500 South Second Street Springfield, IL 62706 Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	<u>KENTUCKY</u> Corporation Service Company 421 West Main Street Frankfort, KY 40601

<u>LOUISIANA</u> Corporation Service Company 501 Louisiana Avenue Baton Rouge, LA 70801	<u>MISSISSIPPI</u> Corporation Service Company 109 Executive Drive, Suite 3 Madison, MS 39110	<u>NEW YORK</u> 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
<u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 CSC-Lawyers Incorporating Service Company 7 St. Paul Street, Suite 820 Baltimore, MD 21202	<u>MISSOURI</u> CSC-Lawyers Incorporating Service Company 221 Bolivar Street Jefferson City, MO 65101	<u>NORTH CAROLINA</u> Corporation Service Company 2626 Glenwood Ave, Ste 550 Raleigh, NC 27608
<u>MICHIGAN</u> 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, Suite 600 Lansing, MI 48911	<u>NEBRASKA</u> CSC-Lawyers Incorporating Service Company 233 South 13 th Street, Suite 1900 Lincoln, NE 68508	<u>NORTH DAKOTA</u> North Dakota Insurance Commissioner 600 East Blvd. Avenue, Dept. 401 Bismarck, ND 58505 Corporation Service Company 418 N. 2 nd Street Bismarck, ND 58501-2121
<u>MINNESOTA</u> Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 Saint Paul, MN 55101 Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113	<u>NEVADA</u> Corporation Service Company 112 North Curry Street Carson City, NV 89703	<u>OHIO</u> Corporation Service Company 1160 Dublin Road, Suite 400 Columbus, OH 43215

<u><i>OKLAHOMA</i></u> Corporation Service Company 10300 Greenbrier Place Oklahoma City, OK 73159-7653	<u><i>TENNESSEE</i></u> Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	
<u><i>PENNSYLVANIA</i></u> Corporation Service Company 2595 Interstate Drive, Suite 103 Harrisburg, PA 17110	<u><i>TEXAS</i></u> Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street, Suite 620 Austin, TX 78701-3218	
<u><i>RHODE ISLAND</i></u> Dept. of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Bldg. 68-2 Cranston, RI 02920 Corporation Service Company 222 Jefferson Blvd., Suite 200 Warwick, RI 02888	<u><i>VIRGINIA</i></u> Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 Corporation Service Company 100 Shockoe Slip, 2 nd Floor Richmond, VA 23219	
<u><i>SOUTH CAROLINA</i></u> Corporation Service Company 100 Coastal Drive Suite 210 Charleston, SC 29492	<u><i>WASHINGTON</i></u> 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	
<u><i>SOUTH DAKOTA</i></u> 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	<u><i>WISCONSIN</i></u> Administrator, Division of Securities, Dept. of Financial Institutions 4 th Floor P.O. Box 1768 Madison, WI 53701 Corporation Service Company 33 East Main Street, Suite 610 Madison, WI 53717	

EXHIBIT C
FRANCHISE AGREEMENT

Steak n Shake Enterprises, Inc.



Franchise Partner Franchise Agreement

Steak n Shake Enterprises, Inc.

Franchise Partner Franchise Agreement

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STEAK N SHAKE BY BIGLARI
FRANCHISE PARTNER
FRANCHISE AGREEMENT

This FRANCHISE PARTNER 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 the Person identified on the signature page to this Agreement that is granted the right, license and privilege to operate the Steak n Shake By Biglari Restaurant identified on **Appendix A** to this Agreement pursuant to the terms hereof (“**Franchisee**”).

Recitals

A. 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 a quick-service format. The current Steak n Shake By Biglari format features a full menu , operates not less than twelve (12) hours a day, seven (7) days per week (subject to the terms and conditions set forth herein), and includes a dining area with approximately 75 seats, in primarily free-standing locations along with drive-thru, delivery and carry-out service. The quick-service concept is referred to throughout this Agreement as “Steak n Shake By Biglari Restaurants”, “Steak n Shake By Biglari Restaurant” or “Restaurant”.

B. Franchisee has applied for a franchise to own and operate the Steak n Shake By Biglari Restaurant at the location identified in **Appendix A** to this Agreement, and Franchisee (or if Franchisee is a Legal Entity, its sole individual owner (“**Franchise Partner**”)) has satisfied the qualifications and initial training and performance standards of Franchisor’s Franchise Partner program. Franchisee’s application has been approved by Franchisor in reliance upon all of the representations, warranties, covenants and agreements made by Franchisee and Franchise Partner.

C. 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 it 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 and Franchise Partner.

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.

Certain terms used in this Agreement are defined below. Other defined terms may appear in other

sections of this Agreement.

(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 premises of the Steak n Shake By Biglari Restaurant to be operated by Franchisee pursuant to the terms of this Agreement, located at the address set forth in **Appendix A** hereto. The Authorized Location will be leased or subleased by Franchisor or its Affiliate to Franchisee pursuant to the terms of either (A) the Lease set forth as **Appendix B-1** to this Agreement or (B) the Sublease set forth as **Appendix B-2** to this Agreement.

(C) “**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.

(D) “**Competing Business**” means any restaurant business that either (i) derives 25% or more of its annual revenue from the sale of ground beef sandwiches and ice cream products (regardless of the volume sold) (other than the Restaurant).

(E) “**Confidential Information**” means any and all information relating to 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; (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 Franchisor); (vi) Financial Information; and supplier relationship and distribution system information; and (vii) if 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).

(F) “**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.

(G) “**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.

(H) “**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.

(I) “**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 Article 11 of this Agreement.

(J) “**Franchisee**” means the Person identified on the signature page to this Agreement as Franchisee. If Franchisee is an individual, such individual shall also be the Franchise Partner. If Franchisee is a Legal Entity, all ownership interests in Franchisee must be held by the Franchise Partner.

(K) “**Legal Entity**” means a corporation, limited liability company, partnership, limited partnership or other entity.

(L) “**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).

(M) “**Licensor**” means Franchisor’s Affiliate, STEAK N SHAKE, LLC, which is the entity that owns and licenses the Marks.

(N) “**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 Franchisor for use by Franchisees generally or for 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 Franchisor may amend from time to time.

(O) “**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.

(P) “**Franchise Partner**” means the individual who has satisfied the qualification requirements, initial training, and performance standards of Franchisor’s Franchise Partner program. The Franchise Partner shall be listed on **Appendix A** to this Agreement. If Franchisee is a Legal Entity, Franchise Partner shall be authorized to act, and to execute all document, on behalf of Franchisee. All actions by the Franchise Partner shall be binding upon Franchisee. Franchisor shall have no duty to deal with anyone other than the Franchise Partner.

(Q) “**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.

(R) “**Required Software**” means certain brands, types, makes, and/or models of communication, information technology and/or computer hardware and software and related equipment, including without limitation 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.

(S) “**Required Technology**” means, with the Required Software, camera/surveillance systems, drive-thru systems, communication, 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.

(T) “**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 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 Restaurants in its sole discretion.

(U) “**Term**” means and includes the Initial Term of this Agreement (as defined in Article 2), and any and all renewals thereof.

Section 1.2 Representations by Franchisee and Franchise Partner.

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 Franchise Partner to Franchisor prior to the execution hereof, and Franchisee and Franchise Partner represent and warrant to 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.

(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 operate the Steak n Shake By Biglari Restaurant (referred to hereinafter as the “**Restaurant**”) located at the Authorized Location, and only from the Authorized Location with no right to relocate; (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 the 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 acknowledges that, prior to the Effective Date of this Agreement, the Restaurant has been operated by Franchisor or its Affiliate as a company-owned Steak n Shake by Biglari Restaurant. As of the Effective Date of this Agreement, Franchisee will assume responsibility for the operation of the Restaurant pursuant to the terms of this Agreement, the Lease or Sublease, the Equipment Lease, and all other documents executed pursuant hereto. Franchisee acknowledges that Franchisor has not represented, promised, warranted or guaranteed that the Restaurant operated at the Authorized Location will be profitable or otherwise successful and that Franchisor assumes no liability or responsibility for the Restaurant's failure to meet Franchisee's expectations.

(C) 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.

(D) 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.

(E) Franchisor has no obligation whatsoever to issue to or allow the purchase of any additional Steak n Shake By Biglari franchises by Franchisee.

Section 1.4 Franchisee Obligations.

(A) Franchisee agrees to use its best efforts to 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 operate and maintain its Steak n Shake By Biglari Restaurant only at the Authorized Location in accordance with the specifications and procedures as set forth in 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 managing the Restaurant employees so as to promote good character and quick, competent and courteous service to Restaurant customers in accordance with Franchisor's standards as set forth in the Manual and other publications. Franchisee will cooperate with Franchisor throughout the Term to maintain a sufficient number of properly trained Restaurant managers and employees to satisfy the standards of service for the Restaurant.

(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 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 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 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, 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 acknowledges that the protection of the Confidential Information is critical to promoting the interest of the System and the Marks. Franchisee shall at all times during the Term of this Agreement act with the utmost caution to protect the Confidential Information and shall cause Franchise Partner and all Restaurant employees to do so as well. 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 1.5 Management Requirements.

(A) At all times during the Term of this Agreement, Franchisee shall maintain a competent, conscientious, trained Restaurant staff and management personnel in such number to comply with Franchisor's minimum requirements and 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 manage the Restaurant employees so as to ensure that all such 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 Restaurant managers will have attended and successfully completed Franchisor's prescribed manager training program 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.

(C) Franchise Partner shall serve as the Restaurant's General Manager and 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. As of the date of this Agreement, Franchise Partner has completed Franchisor's then-standard training required by Franchisor for General Managers and Franchise Partners as set forth in the then-current Manual, and Franchise Partner shall at all times during the Term of this Agreement complete any additional training for General Managers and Franchise Partners as may be required in the then-current Manual. Franchise Partner will refrain from operational or management commitments in other businesses which would in any way affect the management duties required hereunder. The Franchise Partner shall at all times during the Term of this Agreement continue to meet the following criteria, as determined by Franchisor:

- (i) must possess good moral character, and have the aptitude and ability to conduct the business contemplated by this Agreement, as determined by Franchisor;
- (ii) must be authorized by Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement;
- (iii) 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; and

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

(D) Any Restaurant manager in addition to the General Manager also shall satisfy the criteria set forth in subsections 1.5(C)(i)-(iv) and shall have a track record of successfully owning or managing restaurants similar to Steak n Shake By Biglari Restaurants. Franchisee shall cooperate with Franchisor to ensure that the foregoing requirements have been met.

Section 1.6 Franchisor Services.

(A) Franchisor agrees to provide to Franchisee the following:

(i) On-going training at such locations and for such periods as may be designated by Franchisor from time to time in the Manual or otherwise in written or electronic format, subject to Section 5.3 of this Agreement;

(ii) 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 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 Franchisee. Franchisee must pay the then-current replacement fee as established by Franchisor for replacing the Manual or other materials;

(iii) A program for collecting and accounting for the Restaurant's Gross Receipts and facilitating the payments owed under this Agreement (as more fully described in Section 6.1 hereto);

(iv) Monthly fee calculation reports (as more fully described in Section 6.1 hereto);

(v) 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;

(vi) Training for new product rollouts and Franchisor's periodic inspections as generally provided to all System franchisees;

(vii) The Steak n Shake By Biglari advertising/marketing program(s) as developed and issued from time to time by Franchisor for the benefit of the System.

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.

(B) At Franchisor's discretion, Franchisor may, from time to time, offer Franchisee various administrative or other business services, directly or through an Affiliate or third party supplier. If offered, Franchisee shall use such services and shall execute any additional documents required by Franchisor to evidence the terms on which such services are provided. If Franchisor provides the services directly or through an Affiliate, Franchisor shall have the right to charge, and Franchisee shall pay, a fee in an amount

determined by Franchisor from time-to-time (“**Administrative Services Fee**”). If the services are provided by or through a third party supplier, Franchisee shall pay the associated fees and charges directly to the supplier or shall reimburse Franchisor for any fees or charges it pays to the supplier on behalf of Franchisee.

Section 1.7 Franchisee Organization, Authority, Financial Condition.

(A) Franchisee represents and warrants that:

(i) if Franchisee is a Legal Entity, (a) it is validly existing and in good standing under the laws of the state of its incorporation or organization (as applicable), (b) it 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, (c) its articles of incorporation and by-laws or articles of organization (as applicable) delivered to Franchisor are true, complete and correct, and there have been no changes therein since the date thereof, and (d) Franchise Partner is the sole legal and beneficial owner of all of the ownership interests in Franchisee;

(ii) the execution and delivery of this Agreement and transactions contemplated hereby are within Franchisee’s authority and have been duly authorized by Franchisee;

(iii) the financial statements of Franchisee and Franchise Partner delivered to Franchisor in connection with the execution of this Agreement and their application to the Franchise Partner program are true, complete and correct, and fairly present the financial position of Franchisee and Franchise Partner, as of the date thereof, and were prepared in accordance with generally accepted accounting principles; and there have been no materially adverse changes in the condition, assets or liabilities of Franchisee since the dates or dates of the financial statements referenced above.

(B) Franchisee covenants that during the Term of this Agreement:

(i) if Franchisee is a Legal Entity, (a) 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, (b) 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 Franchise Partner hereunder, including the restriction on the transfer of Franchisee’s shares, membership or other ownership interests (if applicable), and (c) Franchise Partner shall execute Franchisor’s then-current form of guaranty, personally guaranteeing the full payment and performance of Franchisee’s obligations to 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;

(ii) Franchisee shall have the legally binding authority to carry out the terms of this Agreement; and

(iii) Franchisee and Franchise Partner 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 Franchise Partner’s obligations pursuant to this Agreement. Franchisor agrees to maintain the confidentiality of financial information pertaining to Franchise Partner (subject to judicial order or applicable government requirements provided that Franchisor provides Franchise Partner with advance written notice of such disclosure and an opportunity to interpose any objection to such disclosure); and

ARTICLE 2. TERM AND RENEWAL

(A) 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 on the thirty-first (31st) day of December of the year that this Agreement is entered into. The Initial Term, together with any and all renewals thereof pursuant to this Agreement, is hereinafter referred to as the “**Term**”. Franchisee agrees to operate the Restaurant at the Authorized Location for the entire Term of this Agreement.

(B) The Term shall be automatically extended, and this Agreement automatically renewed, for successive additional periods of one (1) year, unless written notice of intent not to renew is given by either party hereto to the other at least thirty (30) days prior to the end of the then-current Term.

(C) Notwithstanding anything to the contrary contained in this Agreement, Franchisor, in the exercise of its sole discretion, may not renew this Agreement upon giving written notice to Franchisee at least thirty (30) days prior to the end of the then-current Term, without any further obligation or liability to Franchisee, if any one or more of the following events or circumstances should occur with respect to Franchisee: (i) Franchisee has been placed on notice of the existence of a material default under this Agreement, and the default remains uncured at the end of such calendar year; (ii) Franchisee has been placed on written notice during such calendar year of the existence of a dispute regarding revenues or payments (including, without limitation, as to fees, charges, expenses, draws, disbursements or distributions), and the dispute remains unresolved at the end of such calendar year; (iii) there has been an unauthorized transfer or attempt at transfer as defined or otherwise prohibited under this Agreement; (iv) Franchisee or Franchise Partner has failed or been unable during such calendar year to devote full time and personal best efforts to the operation of the Restaurant as required under this Agreement; or (v) any other event occurs which is grounds for terminating this Agreement pursuant to Section 11.1.

(D) Franchisor shall have the right to change any terms and conditions of this Agreement upon such a renewal by giving Franchisee a written notice of such changed terms and conditions at least forty-five (45) days prior to the end of the then-current Term, in which case Franchisee shall have fifteen (15) days from the date of such notice to decide whether to renew upon the terms offered and to notify Franchisor in writing of Franchisee’s decision to either renew upon the terms offered or, as applicable, not to renew upon the terms offered. Franchisee’s failure to provide timely notice to Franchisor of a decision to either renew or not renew upon the changed terms and conditions offered shall be deemed to be an election by Franchisee to terminate this Agreement at the end of the then-current Term. If the parties agree to any changes to the terms and conditions of this Agreement pursuant to this Article 2, the parties will enter into an amendment to this Agreement documenting the changes.

(E) Notwithstanding anything herein to the contrary:

(i) this Agreement shall terminate automatically, without any notice to Franchisee, upon the expiration or earlier termination of the Lease, Sublease, or any applicable prime lease, as the case may be, for the Authorized Location; and

(ii) this Agreement shall terminate automatically, without any notice to Franchisee, if and when Franchisee or Franchise Partner dies or becomes disabled to the extent that Franchisee or Franchise Partner is unable to perform the obligations required hereunder.

ARTICLE 3. RESTAURANT PREMISES, EQUIPMENT AND FURNISHINGS, TECHNOLOGY

Section 3.1 Lease of Authorized Location, Equipment and Furnishings.

(A) Franchisee desires to operate the Steak n Shake By Biglari Restaurant located at the Authorized Location described in **Appendix A**. Contemporaneously with the execution of this Agreement, Franchisee and Franchisor or its Affiliate shall enter into either (A) the form of Lease Agreement for the Authorized Location attached to this Agreement as **Appendix B-1 (“Lease”)**, or, if Franchisor or its Affiliate currently leases the Authorized Location, (B) the form of Sublease Agreement for the Authorized Location attached to this Agreement as **Appendix B-2 (“Sublease”)**. If Franchisor or its Affiliate currently leases the Authorized Location, then the master lease will be included as an exhibit to the Sublease. Franchisee agrees to comply with the provisions of any such master lease and not cause a breach of such master lease. Franchisee is not a third-party beneficiary of any master lease and will have no right to enforce any such master lease. Such rights are reserved exclusively to Franchisor or its Affiliate and may be exercised in their sole discretion.

(B) Franchisee agrees to continuously maintain the interior and exterior condition and appearance of the Restaurant and Authorized Location in the highest degree of cleanliness, orderliness, sanitation and repair. Franchisor may remodel the Authorized Location at any time and Franchisee cannot remodel the Authorized Location without Franchisor’s prior written consent.

(C) Franchisee shall lease certain equipment (including, but not limited to, food and beverage preparation equipment), furnishings, furniture, fixtures, décor, and other personal property at the Authorized Location (“**Equipment and Furnishings**”) from Franchisor or its Affiliate pursuant to the terms of the equipment lease attached to the Lease or the Sublease (“**Equipment Lease**”). If Franchisor or its Affiliate currently leases the Equipment and Furnishings, then the Equipment Lease is a sublease, and the master lease is included as an exhibit to the Equipment Lease. Franchisee agrees to comply with the provisions of any such master lease and not cause a breach of such master lease. Franchisee is not a third-party beneficiary of any master lease and will have no right to enforce any such master lease. Such rights are reserved exclusively to Franchisor or its Affiliate and may be exercised in their sole discretion.

(D) Franchisee agrees to use all Equipment and Furnishings in the manner Franchisor requires and further agrees not to modify, alter or add to the Equipment and Furnishings without first obtaining Franchisor’s written consent. Franchisor may, at its option, remove or replace any of the Equipment and Furnishings (including any Equipment or Furnishings that become damaged or inoperable) or add new Equipment and Furnishings. Any new or additional Equipment and Furnishings will be added to the list of Equipment and Furnishings in the Equipment Lease.

(E) Franchisee may be required to purchase, install, and use in and about the Restaurant other equipment not covered by the Equipment Lease (including, but not limited to, food and beverage preparation equipment, fixtures, furnishings, interior or exterior signage, air handling equipment, smallwares, operating supplies, utensils, equipment, and other goods) or other personal property, which must strictly conform to the appearance, uniform standards, specifications and procedures of Franchisor and the System, as may be revised from time to time in Franchisor’s sole discretion. Franchisee shall purchase and install all such equipment, as required from time to time by Franchisor, from suppliers approved by Franchisor. Franchisor shall have the right to retain any rebates or incentives offered by such vendors or suppliers, and may elect to apply Franchisee’s pro rata share of any rebates Franchisor receives on Franchisee’s behalf towards any outstanding amounts Franchisee owes Franchisor. Franchisor reserves the right to be the sole supplier of any such additional equipment and may derive revenue from such purchases. Franchisor shall have the right to inspect and approve all additional equipment and their installation to ensure Franchisee’s compliance with Franchisor’s standards and specifications.

(F) Vending machines, video games, gum or candy machines, rides or other similar devices (“**Vending Machines**”) may be installed only with Franchisor’s prior written approval, which approval may be withheld in Franchisor’s sole discretion. Franchisor reserves the right to require Franchisee to, at Franchisor’s discretion, install Vending Machines provided by Franchisor or third parties.

(G) Franchisee acknowledges that it has been provided with all necessary information and has had sufficient opportunity to independently assess the condition of the Authorized Location, the Restaurant and the Equipment and Furnishings. Franchisee agrees to take possession of the Authorized Location, the Restaurant and Equipment and Furnishings in “as-is” condition, with all faults and defects and subject to the master lease (if any) and all documents of record affecting the Authorized Location, the Restaurant and the Equipment and Furnishings. Franchisor makes no warranty, express or implied, with respect to the Authorized Location, the Restaurant and the Equipment and Furnishings, including warranties of habitability, merchantability, suitability or fitness for a particular purpose, quiet enjoyment, non-disturbance, interference or infringement.

Section 3.2 Required Technology.

(A) As of the Effective Date, the Restaurant is equipped with the Required Technology specified by Franchisor. Franchisee acknowledges that the Required Technology may change during the Term of this Agreement.

(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 any Required Technology not provided by Franchisor through the Equipment Lease 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 the Restaurant’s point of sale system and back-office systems as Franchisor deems necessary or desirable. Franchisor reserves the right to collect (via broadband access) the Restaurant’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 3.2(E) 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. As Franchisor may from time to time designate or otherwise require, Franchisor, an Affiliate or a third party may provide hardware and software support to Franchisee and, in the event that such support is offered and provided, may charge Franchisee a fee in connection with such services.

(G) As of the Effective Date, the video surveillance system at the Restaurant, if applicable, conforms to the current requirements designated by Franchisor for a video surveillance system that provides continuous real-time remote access via the Internet to all of those areas of the Restaurant 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 occurring 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 damages, claims, demands, actions, suits, proceedings or judgments of any kind or nature, by reason of any claimed act or omission by Franchisor arising solely 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 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. Franchisee is required to implement authorized cellular backup technology through the approved network provider to supplement primary internet service.

(I) 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.

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 Franchisor, meet 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 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 Franchisor's prior written consent;

(iv) to discontinue serving, selling or offering for sale any such items as Franchisor may, in its discretion, disapprove in writing at any time; and

Section 4.2 Samples.

Franchisee further agrees to permit 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 Franchisor or an independent certified laboratory to determine whether the samples meet Franchisor's then-current standards and specifications.

Section 4.3 Approved Suppliers.

(A) Franchisee will purchase approved food products and other items only from sources approved by Franchisor (which may include Franchisor and/or its Affiliates). 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. Franchisor is not obligated to make its supplier evaluation criteria available to Franchisee or any supplier.

(B) Franchisee shall make arrangements with only suppliers or sponsors approved by Franchisor of such credit cards, gift cards, check verification services or electronic funds transfer systems, or other similar services as 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 and may be required to enter into contracts directly with such credit card, gift card or processing vendors. 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.

(C) 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 Franchisor and submit sufficient information, specifications and samples concerning such item, brand or supplier for a determination by Franchisor whether such item or brand complies with Franchisor's specifications and standards and whether such supplier meets Franchisor's approved supplier criteria. Franchisee must reimburse 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 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 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.

(D) Franchisor may revoke Franchisor's approval of particular products or suppliers when Franchisor determines that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier.

Section 4.4 Uniforms.

Franchisee shall purchase and use uniforms for the Restaurant employees that conform strictly to the specifications, design and style of Franchisor existing from time to time, as required in the Manual or otherwise in writing.

Section 4.5 Right to Establish a Purchasing Program.

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 Effective Date, or is established during the Term of this Franchise

Agreement, 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 Supplier Rebates.

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 AND HOURS; TRAINING AND SUPPORT; INSPECTION AND OTHER RIGHTS

Section 5.1 Operating Standards.

(A) During the Term of this Agreement, Franchisee will have the right to access one copy of the Manual and other applicable manuals and publications of Franchisor for Steak n Shake By Biglari Restaurants, which shall be in either electronic or printed format as determined by Franchisor. 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 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 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 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) Neither Franchisee, Franchise Partner, nor any Restaurant employee shall 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 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 Franchisor. Notwithstanding the foregoing, music shall not be required if the Authorized Location is located within a convenience store; however, if 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.

During the Term of this Agreement, Restaurants shall operate at a minimum of twelve (12) hours per day/seven (7) days per week and for those hours as 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 or Sublease restrictions). Franchisee shall not be deemed in default

for failure to operate during an event of Force Majeure.

Section 5.3 Training.

(A) Franchisor acknowledges that the Franchise Partner has successfully completed the initial training required by Franchisor's Franchise Partner program and that all managerial and other employees working at the Restaurant prior to the Effective Date have successfully completed the applicable training for their respective positions as currently required by Franchisor.

(B) Any future Restaurant or shift managers shall be required to successfully complete the then-current management training program prescribed by Franchisor at such place and time as Franchisor may designate, but prior to performing duties in or related to the Restaurant. Managers employed by the Franchise Partner must maintain station certification by completing recursive, refresher, and new product or process training per the Franchisor's then-current training program. 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. At 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. If training is conducted at a Certified Training Restaurant owned by another franchisee, the individuals participating in such training will not be deemed to be employees of such other franchisee. Prior to beginning the training in a Certified Training Restaurant, each Restaurant manager (other than Franchise Partner) shall be required to execute the Confidentiality and Waiver Agreement attached hereto as **Appendix D**.

(C) In addition to the required management training, all other Restaurant employees must undergo such on-the-job and instructional training and station certification as Franchisor may from time to time require using their proprietary learning management system and training content.

(D) Franchisee, and/or such executive, managerial, supervisory and other designated Restaurant employees shall attend and successfully complete all subsequent training, refresher and retraining programs which Franchisor or its Affiliate may conduct and require, in its reasonable discretion.

(E) Upon failure of any Restaurant manager or Restaurant employee to complete successfully, for any reason, any training, retraining or refresher program required by Franchisor, Franchisee shall require some other trainee to attend and successfully complete the program, and to perform the functions of the category of employee for which the training program was offered, if Franchisor, at its option, so directs.

(F) Franchisee shall pay all expenses of travel, room, board, training supplies and materials while in training.

(G) Franchisee shall replace any Restaurant manager who Franchisor determines is not qualified to manage a Restaurant in accordance with the System and its standards.

(H) 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 Franchisor, to properly conduct such training as is established and published from time to time in the Manual.

(I) Franchisee agrees to maintain a competent, conscientious staff in numbers as required by 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.

(J) Franchisee must attend, at Franchisee's expense, all annual and other meetings and conference calls, including field activation sessions, 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.

Section 5.4 Discretionary Continuing Support Services.

Upon Franchisee's request, Franchisor or its Affiliate may elect to provide consultation or additional training to Franchisee to address specific issues or problems encountered by Franchisee which are beyond the scope of Franchisor's obligations pursuant to Section 1.6 of this Agreement, 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.

Section 5.5 Inspection Rights.

(A) 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 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.

(B) If Franchisor reasonably believes that any product offered by Franchisee, or any condition with respect to Franchisee's Restaurant, may be unhealthy, unsafe or unsanitary, 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.

(C) Franchisor may assess and impose fines and costs incurred against Franchisee for any failure by Franchisee to maintain Franchisor's requirements or standards or otherwise comply with the terms and conditions hereof, which fines and costs incurred shall be paid to Franchisor by Franchisee as Franchisor reasonably requires. Such fines and costs shall be in addition to any other rights or remedies Franchisor may have.

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 fees and payments set forth in this Agreement), 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 Franchise Partner 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 if:

(i) Franchisee or Franchise Partner 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) Franchisee fails to maintain a properly trained Restaurant managerial staff in accordance with this Agreement; or

(iii) 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, PAYMENTS AND EXPENDITURES

Section 6.1 Franchise and Other Fees.

(A) Upon Franchisee's execution of this Agreement, Franchisor shall apply Franchisee's Initial Deposit to satisfy payment of a non-refundable initial franchise fee of Ten Thousand Dollars (\$10,000) ("**Franchise Fee**") payable to Franchisor. As used herein, the term "**Initial Deposit**" means the Ten Thousand Dollar (\$10,000) deposit paid by Franchisee to Franchisor upon execution of the Initial Training Agreement.

(B) During the Term of this Agreement, Franchisee shall pay to Franchisor, on a monthly basis in the manner set forth below, the following:

(i) All rent, fees and payments for the Authorized Location required under the Lease or Sublease and Equipment Lease;

(ii) The Administrative Services Fee described in Section 1.6(B) of this Agreement;

(iii) The Marketing Fee described in Section 7.3 of this Agreement;

(iv) A capital charge ("**Capital Charge**") in an amount equal to a percentage of Gross Receipts from the operation of the Restaurant. The Capital Charge percentage set forth in Exhibit A shall be deducted from Franchisee's share of the Net Profit from the Restaurant.

(v) A system fee ("**System Fee**") in an amount equal to the Established Percentage of the Gross Receipts from the operation of the Restaurant, less (i) the rental fee under the Equipment

Lease and (ii) the Administrative Services Fee; and

(vi) An additional system fee (“**Additional System Fee**”) in an amount equal to fifty percent (50%) of the Restaurant’s Net Profit.

(C) During the Term of this Agreement, Franchisee shall pay to Licensor, on a weekly basis in the manner set forth below, the license fee for use of the Marks pursuant to the License Agreement (“**License Fee**”). Licensor may from time to time, in its sole discretion, elect to charge the License Fee on another payment frequency but not more frequently than weekly.

(D) During the Term of this Agreement, Franchisee may retain, on a monthly basis, an amount equal to the sum of the Minimum Profit and any Additional Profit. Any amounts retained by Franchisee in excess of the amounts authorized to be retained herein shall be payable by Franchisee to Franchisor on demand.

(E) To the extent that Franchisee’s Operating Profit for a month is not sufficient to cover the System Fee, Capital Charge, Additional System Fee, Minimum Profit, and Additional Profit, Franchisee must disburse the Operating Profit in the following order, until it is exhausted:

(i) To retain for Franchisee the Minimum Profit;

(ii) To pay the System Fee and Capital Charge to Franchisor;

(iii) To pay the Minimum Profit Offsets, the System Fee Offsets and the Capital Charge Offsets to Franchisor; and

(iv) To pay the Additional System Fee to Franchisor and retain for Franchisee the Additional Profit.

(F) Franchisee may retain on a monthly basis the full Minimum Profit, even if the Operating Profit for the month is insufficient to cover this distribution item, and even if Gross Receipts are insufficient to cover the System Fee, the Minimum Profit Offsets, System Fee Offsets and Additional System Fee for the month. To the extent that Operating Profit is insufficient to cover the full Minimum Profit and the System Fee, future Operating Profit during such calendar year must be allocated to cover existing arrearage of Minimum Profit and/or System Fee before Franchisee will be entitled to any future Additional Profit. For the avoidance of doubt, Franchisor shall not share in the losses to the extent that the Restaurant does not generate an Operating Profit or Net Profit.

(G) Franchisee appoints Franchisor as its agent to establish and administer a process for collecting the Restaurant’s Gross Receipts and accounting for and facilitating Franchisee’s payment of the rent, any equipment rental, and any other payments or charges due pursuant to the Lease or Sublease, the License Fee, the Capital Charge, insurance premiums, payroll and related expenses, any fees or charges pursuant to this Agreement, any other amounts owed to us and our affiliates and/or suppliers by Franchisee, or any other payments contemplated herein. Franchisee agrees to cooperate with Franchisor in the implementation of such process, including, without limitation, preparing and delivering financial and other reports, establishing and maintaining night depositories and/or bank accounts, and promptly depositing all Gross Receipts therein as and when required. Franchisee acknowledges that Franchisor may exercise control over any and all such funds, may co-mingle such funds with other funds belonging to Franchisor and/or other franchisees, and may collect and retain any interest thereon. Franchisee further acknowledges that Franchisor’s only duty in respect to such funds is to provide to Franchisee periodic accountings and reports regarding the collection and disbursement of such funds in accordance with this Agreement, and that Franchisor assumes no trust, fiduciary or other duties with respect to such funds. Franchisor may use such funds at its election from time to time prior to Franchisee’s funds being disbursed pursuant to the terms of this Agreement. Franchisor will have no obligation to pay any interest on any such funds.

(H) For the purpose of calculating and facilitating the mechanism for the payment of the fees

and expenses for the Restaurant set forth in this Section 6.1, between the first and fifteenth day of each fiscal month (based on Franchisor's then-current fiscal calendar), Franchisor will prepare a fee calculation report for the Restaurant for the preceding month in order to determine the fees and other expenses to be paid from the Gross Receipts.

(I) Franchisee is responsible for assisting Franchisor in its administration of the program for collecting and accounting for the Gross Receipts. Franchisee must establish a cash handling system ("**Cash Handling System**"), including a bank account with allowance for funds to be transferred therefrom by Franchisor pursuant to this Agreement. The Franchise Partner must deposit the Daily Deposit into the Cash Handling System each day before leaving the Restaurant or follow such other procedures as designated from time to time by Franchisor. Franchisee must transmit a report to Franchisor at the end of each business day regarding the amount of the Daily Deposit, and Franchisor will transfer that amount from the Cash Handling System bank account into Franchisor's general account.

(J) Franchisor may require that each of Franchisor and Franchisee donate up to 5% of the monthly amounts received from the Additional System Fee and Additional Profit, respectively, to a charitable organization and, if required, Franchisee agrees to make the donation at the time and in the manner directed by Franchisor. The recipient of such charitable donations must be a 501(c)(3) nonprofit organization that is mutually agreed upon by the parties.

(K) Within fifteen (15) days following the end of each calendar year during the Term, Franchisor shall deliver to Franchisee a statement of the amount of Minimum Profit Offsets, System Fee Offsets, Capital Charge Offsets and any other unpaid amounts (plus all applicable interest) that remain outstanding for the year, if any (the "**Deficiencies**"). If Franchisee does not pay to Franchisor the Deficiencies within fifteen (15) days of Franchisee's receipt of the statement, Franchisor will have the right to terminate this Agreement immediately upon written notice to Franchisee. Upon termination of this Agreement pursuant to this Section, Franchisee and Franchise Partner will remain responsible for paying to Franchisor for the full amount of the Deficiencies, in addition to any other amounts owed to Franchisor under this Agreement. The rights provided to Franchisor under this Section 6.1(K) will survive the termination of this Agreement and are in addition to any rights under Article 11 of this Agreement.

(L) Certain terms used in this Section 6.1 and elsewhere in this Agreement have the meanings set forth below:

- (i) "**Additional Profit**" means, for each calendar month, 50% of the Net Profit.
- (ii) "**Daily Deposit**" means daily Gross Receipts as adjusted for minor cash expenditures, cash overages and shortages and other cash received.
- (iii) "**Established Percentage**" means the percentage of Gross Receipts specified in **Appendix A** to this Agreement. The Established Percentage will not exceed 15% of Gross Receipts. Franchisor will determine the Established Percentage on an annual basis in its sole discretion based on the historical performance of the Restaurant.
- (iv) "**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.

- (v) **“Minimum Profit”** means \$1,000 for each calendar month.
- (vi) **“Minimum Profit Offsets”** means a floating amount that is zero at the beginning of each calendar year and is: (a) increased from time to time during the calendar year by the amount of all Minimum Profits retained by Franchisee but not covered by Operating Profit; and (b) decreased from time to time during the calendar year when and to the extent subsequent Operating Profit is sufficient to cover the Minimum Profits.
- (vii) **“Net Profit”** means monthly Operating Profit less (a) the System Fee, (b) Minimum Profit for the month, (c) the Minimum Profit Offsets, (D) the System Fee Offsets at the effective date of computation, and (E) the Capital Charge Offsets.
- (viii) **“Operating Profit”** means monthly Gross Receipts less monthly Operating Costs and Expenses.
- (ix) **“Operating Costs and Expenses”** means the ordinary and necessary costs and expenses of operating the Restaurant as reasonably determined from time-to-time by Franchisor, including, without limitation, (a) rent under the Lease or Sublease and Equipment Lease, (b) the Administrative Services Fee, (c) the Marketing Fee, (d) the License Fee, (e) insurance premiums, (f) payroll and related costs, (g) payments to suppliers, and (h) any applicable taxes, but excluding (x) compensation paid to the Franchise Partner and, to the extent such compensation exceeds comparable wage rates, compensation to any member of the Franchise Partner’s family, (y) the System Fee, and (z) the Additional System Fee. Notwithstanding the foregoing, the Franchise Partner shall not be permitted to pay or compensate himself or herself a draw, salary or compensation against the Additional Profit or Minimum Profit. The Additional Profit and Minimum Profit shall be paid no earlier than three (3) days nor later than fifteen (15) days after the end of the month in which such Additional Profit or Minimum Profit is earned by the Franchise Partner.
- (x) **“System Fee Offsets”** means a floating amount that is zero at the beginning of each calendar year and is (a) increased from time to time during the calendar year by the amount of all System Fees that Franchisee does not pay to Franchisor; and (b) decreased from time to time during the calendar year when and to the extent that Franchisee pays the previously unpaid System Fees to Franchisor.
- (xi) **“Capital Charge Offsets”** is a floating amount that is zero at the beginning of each calendar year and is (i) increased from time to time during the calendar year by the amount of all Capital Charges that you do not pay to Steak ‘n Shake; and (ii) decreased from time to time during the calendar year when and to the extent that you pay the previously unpaid Capital Charges to Steak ‘n Shake.

Section 6.2 Interest on Late Payments.

All monthly and weekly payments to be made by Franchisee to Franchisor shall accrue on a daily basis and shall be due and payable to Franchisor at Franchisor’s principal place of business at the time and in the manner established pursuant to Section 6.1. In the event that Franchisee is past due on the payment of any fees owed to Franchisor or its Affiliates, including without limitation System Fees, Additional System Fees, rental amounts and accrued interest, any amounts for purchases from Franchisor or its Affiliates, third party vendor charges Franchisor collects from Franchisee, or any other amounts which Franchisee owes to Franchisor or its Affiliates, Franchisor shall have the right at its option to require Franchisee, to the extent permitted by law, to pay interest on any such past due amount for the period beginning with the original due date for payment to the date of actual payment at a rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate permitted by law. Franchisee acknowledges that this Section 6.2 shall not constitute Franchisor’s agreement to accept such payments after the same are due or a commitment by

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 6.2.

Section 6.3 Fees Non-Refundable.

All fees and other amounts payable to Franchisor under this Agreement are non-refundable.

Section 6.4 Payment By Pre-Authorized Electronic Funds Transfer.

In furtherance of the collection and payment process contemplated by Section 6.1, Franchisee agrees that Franchisor shall have the right to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("EFT"). Franchisee further agrees to sign and deliver to Franchisor a pre-authorization form, in the form attached hereto as Appendix C. 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.

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 6.5 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 6.6 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 6.7 Taxes.

(A) 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. 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.

(B) Franchisor will prepare returns and submit payments for any sales, use, excise, gross receipts, property or other taxes levied upon Franchisee, the Restaurant or its assets in connection with the sales made, services performed, or business conducted by Franchisee, excluding Franchisee's income tax obligations. Any amounts paid by Franchisor pursuant to this Section 6.7(B) will be charged to Franchisee and repaid to Franchisor. Franchisee will be responsible for preparing and submitting returns and payments for any state or federal income taxes levied up on it in connection with the sales made, services performed or business conducted by Franchisee under this Agreement.

Section 6.8 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 the wages, travel, lodging and reasonable per-diem expenses of Franchisor’s personnel 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 AND MARKETING

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 Steak n Shake By Biglari System, Franchisee agrees that Franchisor or its designee shall have the right to conduct, determine, maintain and administer all national, regional, local and other advertising and marketing as may be instituted by Franchisor from time to time for the benefit of the System, and to direct all such advertising and marketing with sole discretion over the concepts, materials, form, copy, layout and content used therein. Franchisor shall have the sole exclusive right to print menus to be used in the Restaurant (“**Designated Menus**”), and 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 must post all interior and exterior marketing materials required by Franchisor in strict accordance with Franchisor’s published criteria (as revised from time to time), except as prohibited by local regulation.

(C) 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 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.

(D) Franchisee shall be free to conduct, at its separate expense, supplemental advertising in addition to the advertising received for the expenditures specified in Section 7.3 herein, to promote and increase the demand for the products and services of its own Steak n Shake By Biglari Restaurant, provided that Franchisee may not use advertising or other methods for solicitation that are directed into protected areas granted to other Steak n Shake franchisees, unless the advertising is for the purpose of general brand awareness and does not attempt to solicit customers for a specific location. All such supplemental advertising shall either have been prepared or previously approved in writing by Franchisor. Any

supplemental advertising and promotional materials submitted by Franchisee to Franchisor for review shall become the property of 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.

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 Franchisor.

Section 7.3 Marketing Fees and Expenses.

(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. During the Term of this Agreement, Franchisee will pay Franchisor a marketing fee for advertising and marketing based on the actual advertising expenses for local, regional, and national advertising for the Restaurant and the marketing area in which it is located. The marketing fee will be an amount not to exceed ten percent (10%) of Gross Receipts (the "**Marketing Fee**"). The Marketing Fee will be decided by Franchisor, in its sole discretion, based on the historical advertising expenses of the Restaurant. Franchisor reserves the right to increase the Marketing Fee in the future, upon notice to Franchisee, to cover the Restaurant's allocable share of future marketing and advertising initiatives, provided that the Marketing Fee will not exceed 10% of Gross Receipts. Franchisor will determine from time to time, in its sole discretion, the allocation of the Marketing Fee between local marketing, regional marketing and national marketing. Franchisor is not required to spend any certain amount on advertising in the area of the Restaurant. Franchisee shall pay the Marketing Fee to Franchisor in the manner as set forth in Article 6 of this Agreement.

(B) Franchisee must implement local marketing using only those materials approved or supplied by Franchisor. Franchisee must participate in any temporary or permanent promotional campaigns, honor coupons, and participate in giveaway promotions for food or drink items at the Restaurant that Franchisor may require from time to time. Franchisee's participation in such promotional campaigns will be at Franchisee's own cost, including the costs to purchase, lease, and install all promotional campaign materials and devices, including table tents, counter cards, posters, banners, signs, menuboards, panels, photographs, give-away items, and gift cards. Franchisor may require that Franchisee order certain local marketing, advertising, and promotion materials, including coupons, print media, digital media, social media, outdoor advertising, and radio and television advertisements from Franchisor or vendors approved by Franchisor. All local marketing must conform to Franchisor's standards, as may be revised from time to time, and Franchisor's prior written approval shall be required for all local marketing.

(C) Franchisor may spend in any fiscal year an amount greater or less than the aggregate Marketing Fees collected from all restaurants. All Marketing Fees collected are co-mingled with general account monies. Franchisor has the right to retain any Marketing Fees that are not expended in any given year for application to future marketing/advertising expenditures. None of the Marketing Fees collected by Franchisor will be refunded upon the termination or expiration of this Agreement, as such monies are to be used by Franchisor to further the goodwill and public image of the Steak n Shake By Biglari System. Franchisor will not provide any accounting of the collection or spending of Marketing Fees. Franchisor does not represent or warrant that any particular restaurant will benefit directly or *pro rata* from marketing or advertising.

ARTICLE 8. BOOKS, RECORDS, REPORTS AND CONTROL PROCEDURES

Section 8.1 Marketing Information.

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 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 Franchisor or its designee(s).

Section 8.2 Records of Franchisee.

Franchisee shall furnish to Franchisor separate written or, at Franchisor's election, electronic reports for the Restaurant as and when required by Franchisor pursuant to Section 6.1 hereto above, which reports shall contain all financial and other information reasonably requested by Franchisor, including without limitation all information relevant to or necessary for the computation of information to be furnished by Franchisor to the Franchisee as provided in Section 6.1. 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 Franchisor from time to time.

Section 8.3 Data Privacy.

Franchisee agrees to abide by all applicable laws pertaining to the privacy of customers' and employees' information, including without limitation, transactional information ("Privacy Laws"). Franchisee agrees to stay in strict compliance with all of Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee shall comply with the requirements of applicable law. Other than as set forth herein, Franchisee agrees not to publish, disseminate, implement, or use a data privacy policy inconsistent with Franchisor's policy.

Section 8.4 Audit of Franchisee's Records.

(A) 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 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 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 Franchisor have been understated, Franchisee shall immediately pay to Franchisor the amount overdue, unreported or understated, in addition to interest thereon from the date due at the rate required under Section 6.2 hereof. The foregoing shall be in addition to any other rights 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 8.4(C).

Section 8.5 Notice of Legal Actions and Notice of Default Pursuant to Loan Agreements.

Franchisee shall notify Franchisor in writing within two (2) days of the commencement of 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.

Section 8.6 Default.

If Franchisee fails to comply with this Article 8 or to provide Franchisor with the records, accounting and reports required herein, 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 services necessary to comply with this Article 8. In such event, Franchisee agrees to cooperate fully with Franchisor and to pay for the actual costs of such services. The rights provided to Franchisor under this Section 8.5 are in addition to any rights under Article 11 of this Agreement.

ARTICLE 9. INSURANCE AND INDEMNITY

Section 9.1 Indemnity.

(A) Franchisee agrees to indemnify 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, Franchise Partner, their agents or Restaurant employees 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, Franchise Partner, their agents or Restaurant employees in any training conducted by Franchisor at a Franchisor-operated Restaurant or other facilities operated by Franchisor, including, but not limited to any worker's compensation claims made by Restaurant 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 Franchisor at Franchisee's sole cost and expense in any such suits, actions or proceedings in which Franchisor is joined as a party thereto. Franchisor shall also have the right to defend any such claim itself and to be reimbursed by 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 Franchisee's sole expense, the following insurance for the Restaurant:

- (i) commercial general liability insurance with minimum limits of liability and other terms determined by Franchisor from time to time to provide adequate coverage for the Restaurant and the Authorized Location;
- (ii) commercial automobile liability insurance with minimum limits of liability and other terms determined by Franchisor from time to time to provide adequate coverage for the Restaurant and the Authorized Location;
- (iii) excess/umbrella liability insurance with minimum limits of liability and other terms determined by Franchisor from time to time to provide adequate coverage for the Restaurant and the Authorized Location;
- (iv) worker's compensation, unemployment compensation, social security and other insurance coverages in such amounts as may now or hereafter be required by any applicable law; and
- (v) property insurance including business interruption coverage for the Restaurant and the Authorized Location.

(B) Franchisor may from time to time offer to Franchisee and, to the extent offered and required, Franchisee shall participate in programs of insurance designed to satisfy some or all of Franchisee's insurance obligations under Section 9.2(A) above, through some combination of insurance contracts with outside insurance companies or a self-insurance program maintained by Franchisor, all in Franchisor's sole discretion. Franchisee will pay for the cost of Franchisee's participation in such programs, including without limitation insurance premiums, claim administration expenses and any other costs rebilled or passed through to Franchisee by Franchisor from time to time.

(C) Franchisee must purchase minimum levels of certain types of insurance from an insurance company that is licensed to do business in the state where the Restaurant is located and that has a rating of not less than A- and a financial size category of VII as rated in the latest A.M. Best insurance rating report, unless otherwise approved in writing by Franchisor. Franchisee may not add a deductible or self-insurance retention on any policy without Franchisor's prior written approval.

(D) Franchisee's obligation to obtain and maintain the foregoing policies 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 Franchisee's 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 Franchisor's recourse against Franchisee.

(E) Franchisor may from time to time, in its sole discretion, change or modify the minimum insurance requirements provided for hereunder, including without limitation to provide that Franchisee purchase and maintain additional, greater or different types and/or levels of insurance with respect to the Restaurant or Authorized Location. In determining any required minimum types or levels of insurance or placing any required minimum insurance pursuant to this Agreement, Franchisor makes no representations or warranties that such minimum coverage shall be adequate and assumes no responsibility for premium expenses nor guarantees payment for any losses sustained by Franchisee.

Section 9.3 Evidence of Insurance.

In the event that Franchisor does not offer Franchisee an insurance package, or Franchisee is directed by Franchisor to purchase directly insurance to satisfy some or all of Franchisee's insurance obligations hereunder, Franchisee shall deliver or cause to be delivered certificates (or copies thereof) of (A) general liability and worker's compensation and employer liability insurance required by this Article 9 to Franchisor upon execution of this Agreement, (B) all other insurance required in this Article 9 prior to the turnover of the Restaurant to Franchise Partner, and (C) promptly upon renewal of such policies. Franchisee shall also deliver to Franchisor evidence of payment of all insurance premiums at any time upon written request of 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 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 Franchisor and the Licensor as an additional insured by endorsement delivered to Franchisor, and any additional party reasonably designated by Franchisor, and shall protect Franchisee, 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. Franchisor's status, and the status of any additional party reasonably designated by Franchisor, as an additional insured under each policy required by this Agreement shall be primary and non-contributory. Additionally, all policies procured by Franchisee hereunder shall contain an express waiver of any right to subrogation by the insurance company against Franchisor and any additional party reasonably designated by Franchisor.

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) 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.

(B) Any and all goodwill arising from 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 Franchise Partner, their Affiliates, subsidiaries, successors, or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Marks.

(C) 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.

(D) 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, Franchisor or other franchisees, shall be and become the sole and

absolute property of Franchisor, and 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 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. 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 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 Franchisor, Licensor and their respective counsel in connection with any such infringement, challenge or claim. 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 Franchisor and Licensor in any such litigation or administrative proceeding or to otherwise protect and maintain the interests of Franchisor and Licensor in the Marks.

Section 10.4 Discontinuance of Use of Marks.

If it becomes advisable at any time, in Franchisor's sole discretion, for 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 Franchisor, at Franchisee's expense.

Section 10.5 Non-Disclosure of Confidential Information and Restrictions on Public Statements.

(A) 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 Franchisee relating to the System and including, without limitation, the specifications, standards, procedures and the entire contents of the Manual are communicated to Franchisee solely on a confidential basis and as trade secrets, in which Franchisor has a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, 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 Franchisee's or Franchisor's business affairs or the System other than as may be required to enable Franchisee to conduct its business from the Premises, and Franchisee further agrees not to use any such information in any other business or in any manner not specifically approved in writing by Franchisor.

(B) Franchisor may disclose Confidential Information to Franchisee by furnishing layouts, specifications and guidance in the 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 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 (i) Franchisee agreeing to the restrictions on the use and disclosure of Confidential Information set forth in this Franchise Agreement, and (ii) if Franchisee is a Legal Entity, Franchise Partner executing Franchisor's then-current form of guaranty.

(C) 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 Franchisor and is a trade secret of 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 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 Franchise Partner and those Restaurant employees whose responsibilities in the management and/or operation of the Restaurant require access to such Confidential Information; Franchisee's and Franchise Partner's attorneys, accountants, lenders, and insurers on a need to know basis; and with respect to Financial Information only, Franchisee's prospective purchasers (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 Restaurant managers and employees with access to Confidential Information to execute the form of Confidentiality and Waiver Agreement attached hereto as **Appendix D**, agreeing to maintain the confidentiality of all Confidential Information during the course of their employment. Copies of the executed confidentiality

agreements must be kept for five (5) years after any such employee leaves their employment and must be provided to Franchisor upon request.

(D) 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.

(E) Franchisee, Franchise Partner, and all Restaurant employees shall not, without 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, 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, Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

Subsections (i) through (iii) immediately above are collectively referred to “**Public Statements**”. Notwithstanding the foregoing, Public Statements required by applicable law or valid subpoena (“**Required Statements**”) shall be permitted if Franchisee or Franchise Partner 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.

(F) The restrictions set forth in this Section 10.5 with respect to Confidential Information and Public Statements shall not interfere with Franchisee’s, Franchise Partner’s or any Restaurant employee’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.

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 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, MySpace 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 its Restaurant, without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion.

(A) 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 Franchisor approves any such website or other online communications, in addition to the restrictions set forth in Sections 1.4(F) and 10.5 herein, Franchisee agrees that:

(B) Franchisee may only use material that Franchisor has approved;

(C) Franchisee shall provide all hyperlinks or other links that Franchisor may require;

(D) Franchisee may not use any of the Marks on the website except as expressly approved by Franchisor; and

(E) 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, 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) 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 AND TERMINATION

Section 11.1 Default and Termination.

(A) Franchisee shall be deemed to be in default and 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 Franchisee any opportunity to cure the default effective immediately upon receipt of written notice by Franchisor 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) Franchisee, Franchise Partner, or any of Franchisee's employees commits an act or engages in public conduct which, in the exercise of Franchisor's sole discretion, subjects Franchisor, the Restaurant, the Marks, or the System to public scandal or ridicule or otherwise reflects materially and unfavorably upon Franchisor, the Restaurant, the Marks, or the System;

(ii) Franchisee or Franchise Partner breaches, threatens to breach or fails to complete as specified herein any duty or obligation of Franchisee or Franchise Partner pursuant to the terms of this Agreement, including any attached Lease or Sublease, any applicable prime lease, the License Agreement, the Manual, or as may be required by any other operating standard or policy, including Franchisee's failure to pay to Franchisor any required payment due under this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee or Franchise Partner, including without limitation the payments set forth in Article 6 herein, on the date such payment is due;

(iii) Franchisor's restaurant business is discontinued;

(iv) Franchisee or Franchise Partner commits an act of fraud, embezzlement or theft against Franchisor, its suppliers, employees or agents, or intentionally underreports or understates Gross Receipts to Franchisor;

(v) A petition in bankruptcy is filed by Franchisee or Franchise Partner or such a petition is filed against Franchisee or Franchise Partner and not opposed by Franchisee or Franchise Partner;

(vi) Franchisee or Franchise Partner makes a general assignment for the benefit of creditors;

(vii) Franchisee or Franchise Partner is adjudicated bankrupt or insolvent;

(viii) A receiver or other custodian (permanent or temporary) of Franchisee's or Franchise Partner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

(ix) Franchisee or Franchise Partner fails to comply with Franchisor's policies, procedures, programs, operating standards, and other standards and specifications, including without limitation the Manual and those issued pursuant to Articles 5 and 6 above;

(x) Franchisee or Franchise Partner violates or otherwise fails to comply with the in-term covenant against competition set forth in Section 12.1;

(xi) Franchisee or Franchise Partner or anyone acting on either Franchisee's or Franchise Partner's behalf, interest or direction purports to transfer or assign this Agreement or any rights or obligations under this Agreement to any third-party without Franchisor's approval or otherwise meeting all of the terms, conditions and requirements set forth in Articles 1 and 13; or

(xii) any other event occurs which under applicable law is grounds for terminating this Agreement.

(B) Either Franchisor or Franchisee, in the exercise of their respective sole discretion, may terminate this Agreement, without cause, upon thirty (30) days' prior written notice to the other; provided however, in the event this Agreement is terminated by Franchisee pursuant to this Section 11.1(B), the effective date of such termination shall be the last day of any given calendar month immediately following the thirty (30) day notice period or such earlier date as agreed upon by the parties in writing.

(C) Franchisor, in the exercise of its sole discretion, may terminate this Agreement, without cause, immediately upon giving written notice to Franchisee and paying the greater of: (i) One Thousand and No/100 Dollars (\$1,000.00); or (ii) one-twelfth (1/12th) of the total amount of the Minimum Profit and Additional Profit paid or to be paid to Franchisee for the twelve (12) full calendar months immediately preceding such termination (or, if Franchisee actually operated such Restaurant for fewer than twelve (12) full calendar months immediately preceding such termination, then the total amount of the Minimum Profit paid or to be paid to Franchisee for such lesser period of actual operation divided by the number of full calendar months contained in such lesser period), as liquidated damages and not as a penalty, such amount being considered by both Franchisor and Franchisee to be a reasonable pre-estimate of Franchisee's probable monetary losses under this Agreement, if any, which are difficult or impossible to calculate at the time of the execution of this Agreement. Such liquidated damages shall be deemed in full accord and satisfaction of any rights or claim which Franchisee may have against Franchisor arising out of or relating to such termination.

(D) During the ninety (90) day period immediately following the Effective Date, Franchisor shall have the right and option to terminate this Agreement, without cause and for any reason, or no reason, immediately upon giving written notice to Franchisee, and without payment of any consideration whatsoever.

(E) Franchisor, in the exercise of its sole discretion, may terminate this Agreement, without cause, immediately upon (i) termination of the Lease or Sublease, (ii) termination of the License Agreement, (iii) the death of Franchisee or Franchise Partner, or (iv) the permanent disability of Franchisee or Franchise Partner that causes Franchisee or Franchise Partner to be unable to perform any of their respective obligations under this Agreement.

(F) 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.

(G) If any applicable law or rule of any jurisdiction is deemed to require a greater notice of the termination or election not to renew this Agreement, or the taking of some other action with respect to the termination or election not to renew than is required in this Agreement, the prior notice or other action required by law or rule shall be substituted for the notice or other action required in this Agreement provided that the jurisdictional and other requirements of any such law or rule are met independently and without reference to this Section 11.1.

(H) 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 or expiration of this Agreement for any reason, (i) the Lease or Sublease and License Agreement shall immediately and automatically terminate effective as of the effective date of the termination or expiration of this Agreement, and (ii) 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 agrees to vacate the Authorized Location immediately upon the termination or expiration of this Agreement or the Lease or Sublease, and to permit the peaceable possession of the Authorized Location by Franchisor or, at Franchisor's election, a new authorized franchisee.

(B) Upon termination or expiration of this Agreement for any reason, Franchisee shall immediately: (i) cease to use the Marks and any other intellectual property licensed to Franchisee under this Agreement and the License Agreement, (ii) surrender to Franchisor all written materials bearing the Marks, (iii) cease to use and return to Franchisor all copies of the Manual and all other manuals, instructions or materials delivered to Franchisee hereunder, (iv) relinquish the Steak n Shake By Biglari Restaurant telephone number and web address and assign such telephone number and web address to Franchisor or Franchisor's designee, (v) return to Franchisor all Equipment and Furnishings, (vi) cease to 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 Franchisor's name or Marks are imprinted, or any simulation thereof, (vii) terminate all banking arrangements and credit card processing arrangements and deliver any and all documentation relating to the termination of any other banking arrangement, credit card processing agreements or any other arrangements established by Franchisee pursuant to Article 6 hereof and pay or otherwise satisfy all remaining fees and expenses accrued or anticipated to accrue in connection therewith through the bank account termination date, and (viii) promptly pay to 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 Franchisor as a result of the 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.

(C) 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 Franchisor or do anything which would indicate any relationship between it and 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 Franchise Partner shall comply with the restrictive covenants set forth in Article 12 herein which expressly survive expiration, termination or cancellation of this Agreement.

(D) The covenants set forth in subsections (A), (B), and (C), of this Section 11.2 shall survive the termination, cancellation or expiration of this Agreement.

(E) All rights, claims and indebtedness which may accrue to Franchisor or Franchisee prior to termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration and be enforceable by 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.

(F) 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.

(G) 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 Equipment and Inventory.

(A) Upon termination or expiration of this Agreement for any reason, Franchisor shall have the right and option to purchase, or to cause its Affiliate to purchase, any Required Technology, Vending Machines, equipment, fixtures, furnishings, interior or exterior signage, air handling equipment, smallwares, operating supplies, utensils, goods, or other personal property owned by Franchisee at the Authorized Location. 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 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 the Equipment and Furnishings, Required Technology, Vending Machines, and all of the other equipment, fixtures, furnishings, interior or exterior signage, air handling equipment, smallwares, operating supplies, utensils, goods, personal property, 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) Franchisor may exercise the option contained in Section 11.3(A) by giving Franchisee written notice within the later of thirty (30) days after termination of this Agreement or a court order enforcing Franchisor's termination of this Agreement. Franchisee must sign all documents of transfer reasonably necessary for purchase of Franchisee's assets 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 (other than those held by Franchisor or its Affiliates), with all sales and transfer taxes paid by Franchisee. The closing will take place on the date designated by Franchisor.

(C) Upon termination or expiration of this Agreement, 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 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 Franchisor. 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) Franchisor's option 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 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.

ARTICLE 12. RESTRICTIVE COVENANTS.

Section 12.1 Competition During Term of Agreement.

Franchisee agrees (in consideration of Franchisor entering into this Agreement), that, beginning on the Effective Date, and during the Term, neither Franchisee nor Franchise Partner shall own, directly or indirectly, any interest in any Competing Business or be employed either as a manager, operator, supervisory employee, officer, agent or consultant in any Competing Business.

Section 12.2 Competition After Expiration or Termination.

Upon the termination or non-renewal of this Agreement for any reason whatsoever, and for a period of one (1) year commencing on the effective date of such termination or non-renewal, Franchisee agrees that neither Franchisee nor Franchise Partner shall own, directly or indirectly, any interest in any Competing Business or be employed either as a manager, operator, supervisory employee, officer, agent or consultant in any Competing Business.

Section 12.3 Intentionally Omitted

Section 12.4 Applicability to Franchise Partners and Enforcement.

Franchisee acknowledges and agrees that in consideration of Franchisor entering into this Agreement, if Franchisee is a Legal Entity, Franchise Partner shall be required to execute Franchisor's then-current form of guaranty, personally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor and personally agreeing to be bound, jointly and severally, by all terms of this Agreement. 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. TRANSFERS AND ASSIGNMENTS

Section 13.1 Assignment by Franchisor.

This Agreement and all rights hereunder, and any and all of Franchisor's ownership, can be assigned and transferred by Franchisor without notice to or consent by Franchisee and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns. Specifically, and without limitation to the foregoing, Franchisee agrees that Franchisor and its Affiliates 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 Franchisor to remain in the business if Franchisor exercises its rights hereunder.

Section 13.2 Assignment by Franchisee.

(A) If an individual Franchise Partner is the named Franchisee under this Agreement and such Franchise Partner desires to assign this Agreement to a Legal Entity formed for convenience of ownership ("**Entity Franchisee**"), Franchise Partner shall submit a written request to Franchisor for its consent.

Franchisor may grant or withhold consent in its sole discretion and may condition any consent upon satisfaction of the following requirements:

(i) Franchise Partner must not be in breach of any of its obligations under this Agreement, the Lease, the Sublease, the Equipment Lease, or any other agreement between Franchise Partner (as Franchise Partner or as Franchisee) and Franchisor or its Affiliates relating to the Restaurant;

(ii) The Entity Franchisee must be newly formed, must conduct no business other than the operation of the Restaurant, must be and remain in good standing (with evidence thereof provided to Franchisor at its request), and may not use any of the Marks or any derogatory or non-professional terms as part of its legal name;

(iii) Franchise Partner must own one hundred percent (100%) of the legal and beneficial ownership interests in the Entity Franchisee (including, all of the equity and voting power), must be the sole director or sole member/manager and principal executive officer, as applicable, and must continue to devote his or her full time best efforts to the operation of the Restaurant as its Franchise Partner;

(iv) The organizational documents of the Entity Franchisee and any stock certificate, certificate of membership interest or comparable instrument shall recite that the issuance and transfer of any interest in the Entity Franchisee is restricted and prohibited by the terms of this Agreement and that the Entity Franchisee's activities will be confined exclusively to operation of the Restaurant;

(v) Copies of all organizational and other governing documents of the Entity Franchisee shall be furnished to Franchisor upon request (together with copies of the Resolutions of the Board of Directors authorizing the Entity Franchisee's entry into this Agreement) and must be satisfactory to Franchisor in its reasonable discretion;

(vi) The Entity Franchisee must make all representations, covenants and agreements

applicable to Franchisees that are Legal Entities under this Agreement;

(vii) The Franchise Partner must transfer and assign the Lease, the Sublease, the Equipment Lease, the License Agreement, and any other agreement between Franchise Partner and Franchisor or its Affiliate relating to the Restaurant to the Entity Franchisee;

(viii) The Franchise Partner and Entity Franchisee must enter into an assignment and assumption agreement, in a form prescribed by Franchisor, which may include, without limitation, a release of any claims, known or unknown, that Franchise Partner may have against Franchisor and its Affiliates at the time of the assignment (“**Transfer Agreement**”), Franchise Partner will be designated as the individual Franchise Partner and sole owner of the Entity Franchisee, and Franchise Partner must execute Franchisor’s then-current form of guaranty, personally guaranteeing the full payment and performance of Franchisee’s obligations to Franchisor and personally agreeing to be bound, jointly and severally, by all terms of this Agreement; and

(x) Franchise Partner shall pay or reimburse all of Franchisor’s costs and expenses (including attorney’s fees and costs) incurred in connection with the transfer.

(B) Except as set forth in Section 13.2(A), neither this Agreement nor any interest in the Restaurant (or in any Franchisee that is a Legal Entity) may be sold, transferred, assigned, gifted, conveyed, pledged or encumbered by Franchisee, by operation of law or otherwise, and attempt to do so will constitute a material breach of this Agreement, and Franchisee may not assign Franchisee’s estate or interest in or sublet the Authorized Location.

Section 13.3 Enforceability of Restrictions on Transfer.

Franchisee agrees that the restrictions on transfer imposed in Section 13.2 are reasonable and necessary to protect Franchisor’s Marks and Confidential Information, System and operating procedures and quality, as well as Franchisor’s high reputation and image and are for the protection of Franchisor, Franchisee and other Steak n Shake By Biglari franchisees. Any transfer permitted by Section 13.2 shall not take effect until Franchisor issues its written consent thereto.

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. Vice President, Franchise Operations
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

Franchisee and Franchise Partner: The mailing address and/or email address set forth in **Appendix A** hereto.

Section 14.2 Email Communications.

Franchisee, its Franchise Partner and Restaurant 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 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 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 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 15.3 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 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 15.3. 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 15.4 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 Franchisor, shall occur in Indianapolis, Indiana.

Section 15.5 Costs and Attorneys' Fees.

If 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 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 15.6 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 15.7 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 15.8 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 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 15.9 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 Franchisor. Franchisee shall not have any right or power to and shall not bind or obligate 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 Franchisor harmless from or with respect to any such claims for taxes and other liabilities, loss, expense or damage.

(B) Franchisor may require Franchisee to identify itself as an independent operator and franchisee of Franchisor in a manner prescribed by 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.

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request therefor, and such approval shall be obtained in writing from Franchisor's Chairman and CEO or other officer that Franchisor may designate from time to time. By providing any waiver, approval, consent or suggestion to Franchisee in connection with this Franchise, Franchisor makes no warranties or guarantees and assumes no liability or obligation to Franchisee.

(A) 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 Franchisor of any

payments due to it hereunder shall not be deemed to be a waiver by 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 Franchisor of this Agreement.

(B) Each right or remedy conferred upon or reserved to 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.

(C) 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, and any 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), the License Agreement, Lease, Sublease, Equipment Lease, and other agreements executed by Franchisee and Franchisor or its Affiliates pursuant hereto 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 Franchisor made in the franchise disclosure document that Franchisor furnished to 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 Franchisor's officers, directors, employees, agents, representatives, shareholders, independent contractors or franchisees which are contrary to this Agreement or any disclosure document provided to 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 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.

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FRANCHISE PARTNER 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 PARTNER FRANCHISE AGREEMENT
FRANCHISEE INFORMATION**

1. **Authorized Location.** The franchised Steak n Shake By Biglari Restaurant is located at:

[Insert street address, city, and state of Restaurant] (“Authorized Location”).

2. **Ownership of Franchisee –check and complete as appropriate:**

☐ Franchisee is an individual: **Click here to enter text.**

The individual’s state of residence is **Click here to enter text.**

OR

☐ If Franchisee is a legal entity, the state of incorporation/organization **Click here to enter text.**

The name and address of the individual Franchise Partner who owns 100% of Franchisee , is as follows:

Full Name	Address, City, State	Email Address	% of Ownership
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

3. **Name of Franchise Partner:** **Click here to enter text.**

Franchise Partner’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.**

4. **Established Percentage:** [insert percentage]

- 5, **Capital Charge Percentage:** [insert percentage]

6. **Additional Terms:**

Click here to enter text.

Not Applicable

7. **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 [insert date].

“Franchisee”

[Click here to enter text.](#),

a [Click here to enter text.](#)

“Franchisor”

**STEAK N SHAKE ENTERPRISES,
INC.,**

an Indiana Corporation

**APPENDIX B-1 TO FRANCHISE PARTNER FRANCHISE AGREEMENT
FORM OF LEASE AGREEMENT**

**STEAK N SHAKE INC.
LEASE AGREEMENT**

THIS LEASE AGREEMENT (this "Lease") is made and entered effective as of the [●] day of [●], 20[●] (the "Effective Date"), by and between Steak n Shake Properties Inc., an Indiana corporation ("Landlord") and [_____] a [_____] ("Tenant"), for that certain land located at [●] (as more fully defined below, the "Premises").

WITNESSETH:

WHEREAS, Steak n Shake Enterprises, Inc., an Affiliate of Landlord, as franchisor, and Tenant, as franchisee, have entered into that certain Franchise Partner Franchise Agreement dated as of [●] (the "Franchise Agreement"), pursuant to which Tenant will operate a Steak n Shake by Biglari Restaurant located at the Premises (the "Restaurant").

WHEREAS, Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Definitions. Whenever any defined term contained in this Section 1 is more specifically described in any subsequent Section of this Lease, the more specific description shall control over any conflicting general description. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Franchise Agreement.

(a) "Additional Charges and Expenses" means all sums other than Base Rent, Percentage Rent, and the Equipment Rental Fee payable by Tenant under this Lease as more particularly described in Section 3(b) hereof.

(b) "Base Rent" is the base rent for the Premises as set forth on **Exhibit 3**.

(c) "Building" means the building now or hereafter located on the Premises in regards to a freestanding restaurant and means the space in which the restaurant is located in regards to a restaurant located in a building with other occupants besides the Restaurant.

(d) "Commencement Date" means the date on which the Franchise Agreement becomes effective.

(e) "Equipment" means the equipment, furniture, fixtures, decor, and other property delivered, or to be delivered to the Premises, by Landlord as described in Section 2(g) hereof and in the Equipment Lease Addendum attached hereto as **Exhibit 4** and made a part hereof (together with any replacements thereof and additions or accessions thereto).

(f) "Percentage Rent" is the percentage rent payable based on Gross Receipts of the Restaurant as set forth on **Exhibit 3** and Section 3(c) hereof.

(g) "Permitted Use" means the use and occupancy of the Premises solely for the Restaurant during the Term, selling only such products and operating in such a manner as permitted and prescribed pursuant to the Franchise Agreement.

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(h) “Premises” means the Building and the real property upon which the Building is situated. A legal description of the Premises is set forth on **Exhibit 1** attached hereto and made a part hereof.

(i) “Rent” means Base Rent and Percentage Rent.

(j) “Restaurant” means that certain Steak n Shake by Biglari Restaurant to be operated at the Premises pursuant to the Franchise Agreement.

(k) “Requirements of Law” means all laws, statutes, ordinances, rules, orders and regulations of federal, state, county and municipal authorities in effect from time to time, including without limitation, ordinances of any municipality in which the Premises is situated; zoning and building code restrictions; safety laws and regulations, such as the Americans with Disabilities Act; wage and employment laws; fire, health, safety and Environmental Laws (as defined in Section 2(i) hereof); and all directions of all public officers applicable to the Premises, the Restaurant, or Tenant.

(l) “Term” is as set forth in Section 2(c) hereof.

(m) “Title Document” means any instrument now or hereafter of record or otherwise affecting title to or use of the Premises.

2. Premises, Term, and Use.

(a) *Franchise Agreement.* Tenant acknowledges and agrees that its possessory rights under this Lease are derivative of Tenant’s status as a franchisee under the Franchise Agreement, and that such possessory rights will terminate automatically upon the expiration or termination of the Franchise Agreement. Tenant shall comply with and perform all of the terms, conditions and covenants of the Franchise Agreement. A breach of any of the terms, conditions or covenants of the Franchise Agreement by Tenant shall constitute a breach of this Lease.

(b) *Premises.* Effective as of the Commencement Date, Landlord hereby grants to Tenant a lease for use and occupancy of the Premises described herein, which Tenant shall use and occupy solely for the Permitted Use. The Premises is subject to any and all Title Documents and Requirements of Law.

(c) *Term.* The “Term” means the period of time commencing on the Commencement Date and ending on the expiration or termination of the Franchise Agreement. The Term of this Lease is subject to any rights set forth herein for the earlier termination or expiration of the Term or the earlier termination or expiration of the Franchise Agreement. Notwithstanding anything herein to the contrary, this Lease shall terminate automatically without any notice to Tenant (i) upon the expiration or earlier termination of the Franchise Agreement, or (ii) if and when Tenant dies or becomes disabled to the extent that Tenant is unable to perform any of its obligations hereunder or under the Franchise Agreement.

(d) *Use.* Tenant shall use and occupy the Premises solely for the Permitted Use, and shall otherwise observe and abide by the Franchise Agreement, as well as Landlord’s standards as they may be modified from time to time concerning, among other things, the hours of operation of the Restaurant. Tenant shall not use, and shall not permit any person to use, any part of the Premises in violation of this Lease, the Franchise Agreement, the Title Documents or Landlord’s then-current standards. Tenant shall keep the Premises in a clean and wholesome

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condition, and shall repair, maintain and conduct the Restaurant on the Premises in strict compliance with this Lease and the Franchise Agreement, the Title Documents and Landlord's then-current standards, as modified from time to time. Subject to Landlord engaging in a remodel of the Premises pursuant to Section 5 of this Lease, Tenant shall continuously occupy the Premises during the Term and shall not vacate or abandon the Premises at any time during the Term. Tenant shall use only such fixtures, equipment, furnishings, signs, décor, other leasehold improvements and similar items and supplies (collectively, the "Leasehold Improvements") as meet all applicable then-current standards, and otherwise conform to the requirements of this Lease and the Franchise Agreement, unless otherwise approved in writing by Landlord in advance.

(e) *Compliance With Title Documents and Various Requirements.* This Lease is subordinate to, and Tenant shall comply with, all applicable Title Documents and Requirements of Law. Tenant shall obtain, keep in full force and effect, and strictly comply with all governmental licenses and permits that may be required for Tenant's use and occupancy of the Premises and operation of the Restaurant.

(f) *Changes in Terms of any Title Document.* Tenant hereby acknowledges and agrees that Tenant's use and enjoyment of the Premises during the Term could be restricted or changed as a result of an amendment or modification to this Lease by Landlord (including, without limitation, an amendment or modification to the Title Documents). Such amendments or modifications could include, without limitation, changes to Tenant's ability or right to offer menu items, use or place signage, engage in promotions or marketing efforts, have or enjoy interior or exterior physical restaurant layouts, designs, access, driveways, parking, or other premises features and matters. Tenant consents and agrees to abide by, and specifically waives and releases any claim or demand Tenant has or may have under this Lease or otherwise arising out of or relating to, any such amendments or modifications to this Lease or the Title Documents (including, without limitation, with regard to any covenants or restrictions and any final, new or updated Exhibit 3). Landlord shall exercise commercially reasonable efforts to notify Tenant of any such amendment or modification impacting the Premises, but any delay or lack of such notice shall not affect Tenant's consent, agreement, waiver or release described above, or the validity or enforceability of any such amended or modified provision, as the same may be modified or amended by Landlord from time to time.

(g) *Equipment.* Pursuant to the terms and conditions of this Lease and the Equipment Lease Addendum attached hereto as **Exhibit 4**, which is incorporated herein by this reference, Landlord has delivered, or will deliver to the Premises, the Equipment and other property described in the Equipment Lease Addendum.

(h) *Acceptance of the Premises.* By taking possession of the Premises, Tenant acknowledges and agrees that Tenant has inspected the Premises and the improvements thereon and found them to be in a safe, satisfactory, and completed condition.

(i) *Hazardous Materials.* Tenant shall, at its sole cost, expense and liability, keep and maintain the Premises in compliance with all local, state, and federal environmental laws, ordinances and regulations, including without limitation 42 U.S.C. §9601 et seq., 42 U.S.C. §6901 et seq., 49 U.S.C. §1801 et seq., 15 U.S.C. §2601 et seq., and local, state and federal regulations promulgated thereunder (all of the foregoing being referred to collectively as "Environmental Laws"). During the Term, Tenant shall not use, or cause or permit any spills,

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discharges, or releases of, or treat, store, or dispose of, any hazardous, toxic, radioactive or polluting substances or solid waste, including without limitation any oil or petroleum products or any constituent, fraction or product thereof, any asbestos, mold, mildew, fungus or polychlorinated biphenyls, or any chemical liquids or solids (all of the foregoing being referred to collectively as “Hazardous Materials”), provided that Tenant shall be permitted to use Hazardous Materials commonly and typically used in the normal operation of the Restaurant to the extent that such use is limited and fully complies with all applicable Environmental Laws. Tenant shall indemnify, defend and hold harmless Landlord, its officers, directors, shareholders, affiliates, partners, employees, agents, contractors, lenders, successors and assigns from and against any claim, liability, loss, cost, damage, expense, response, or remedial action costs (including without limitation attorneys’ fees, and costs of investigation or audit) relating in any way to: (i) the presence, use, handling, or storage at, on, off, or under the Premises, or any spill, discharge or release from the Premises, of any Hazardous Material during the Term; or (ii) any failure of the Premises to comply with any applicable Environmental Law, unless such non-compliance results from willful misconduct by Landlord. The foregoing indemnity shall survive the expiration or termination of this Lease.

3. Rent.

(a) *Rent.* Commencing on the Commencement Date, Tenant shall pay to Landlord the Base Rent, the Percentage Rent, and all other amounts contemplated by this Lease on the first day of each calendar month throughout the Term via ACH transfer, except that Percentage Rent will be payable to Landlord by the 15th day of the month after which the Percentage Rent is triggered pursuant to Section 3(c) below. Tenant agrees to pay all Rent and additional sums due under this Lease to Landlord without demand, counterclaim, or set-off.

(b) *Base Rent.* The Base Rent shall be payable in advance to Landlord on the first day of each calendar month throughout the Term via ACH transfer in the amount specified in **Exhibit 3** attached hereto.

(c) *Percentage Rent.* To the extent the monthly Gross Receipts of the Restaurant exceed the Monthly Percentage Rent Breakpoint (as set forth on **Exhibit 3**), in any given month, Tenant will be obligated to pay Landlord Percentage Rent in the amount of [●]% of all Gross Receipts over the Monthly Percentage Rent Breakpoint. If the Commencement Date does not fall on or before the first business day of the month, the Monthly Percentage Rent Breakpoint will be prorated for the first month of this Lease based on the number of days between the Commencement Date and the last day of the month.

(d) *Additional Charges and Expenses.* Commencing on the Commencement Date, Tenant shall also promptly pay when due directly to the appropriate business, governmental authority or other person or entity, or to Landlord, as determined by Landlord in its sole discretion, any and all costs and expenses of operating and maintaining the Premises, including without limitation the following: (i) all charges, costs and expenses necessary to repair and maintain the Premises in good condition and repair, including without limitation all expenses necessary for the maintenance and repair of all or any portion or component of any plumbing, electrical, HVAC, walk-in coolers, sprinkler, fire suppression, security, tel/data or other building systems; (ii) all charges, deposits and other costs for the establishment and maintenance of the utilities or other services provided or rendered in connection with the Premises, including

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without limitation all expenses for electricity, gas, water, sewer, telephone, sanitation and waste services, and cleaning; (iii) all personal property taxes levied upon the Equipment and other improvements located on the Premises; (iv) all real estate taxes and special and general assessments that are levied or assessed against the Premises, including without limitation any tax that is levied or assessed against the rental, real or tangible personal property, and Tenant shall promptly reimburse Landlord for any similar tax that Landlord is required to pay or, in fact, does pay; (v) any charge or expense other than “rent” that might become due under a Title Document (including, but not limited to, service charges, common area maintenance (CAM) charges, taxes, association fees, and any other fees, dues and charges); and (vi) any other charge or expense of any nature which Landlord may be required to pay by virtue of Landlord’s interest in the Premises (including, but not limited to, common area maintenance charges, merchant’s association’s dues, utility charges, security fees, and other fees and taxes).

All of the foregoing charges and expenses shall be deemed and collectively referred to as Additional Charges and Expenses hereunder and singularly are sometimes referred to herein as an Additional Charge or Expense. Tenant agrees to provide to Landlord, if requested, copies of paid invoices and such other documentation evidencing payment of any such Additional Charge or Expense. If Tenant shall default in the payment of any obligation required to be paid by Tenant, then Landlord may, at its option, elect to pay the same together with any penalty or interest levied thereon, and Tenant shall be obligated to repay Landlord on demand for such payment as provided in Section 7 of this Lease.

(e) *Change to Rent.* If at any time during the Term of this Lease, (i) the Building is demolished and reconstructed, or (ii) the Building is refurbished or remodeled, Landlord shall have the right to increase the Rent for the Premises, in which case **Exhibit 3** may be updated and replaced by Landlord.

4. Condemnation. If the entire Premises is condemned under eminent domain, or acquired in lieu of condemnation, this Lease shall terminate automatically without any further obligation or liability of Landlord to Tenant upon the earlier of the date when possession of the Premises is required by the condemning authority, or such other earlier date as Landlord may specify in written notice to Tenant. All charges, draws, rentals, refundable deposits, and all other costs and expenses by and between Landlord and Tenant as a result of the Restaurant’s operations up to such termination date will be credited, deducted and, where applicable, disbursed as otherwise set forth in this Lease and the Franchise Agreement. Tenant acknowledges and agrees that Tenant shall have no right to make a claim for the value of all or any part of Tenant’s interest in the Premises pursuant to this Lease or the Restaurant by reason of any condemnation. Tenant specifically waives and releases any claims for the value of all or any part of the Restaurant, Premises, Building, Equipment and other improvements on the Premises whether or not installed or paid for by Landlord or by Tenant. If only a part of the Premises is condemned or acquired in lieu of condemnation and Landlord determines, in the exercise of its sole discretion, that the operation of the Restaurant or the Premises is no longer economically feasible or desirable, Landlord may at any time elect to terminate this Lease by written notice to Tenant subject to the same terms and conditions set forth above. If Landlord does not elect to terminate this Lease upon a partial condemnation or acquisition in lieu of condemnation, subject to Landlord’s receipt of condemnation proceeds in an amount sufficient to cover the cost of such repairs and alterations, Landlord shall with reasonable promptness make necessary repairs to and

alterations of the improvements on the Premises to restore it to a condition that will permit the continued operation of the Restaurant.

5. Renovations and Remodels.

(a) *Renovations and Remodels.* If at any time Landlord determines in the exercise of its sole discretion that the Premises should be remodeled, refurbished, rebuilt or relocated, Landlord, its agents and designees shall have the right to reenter the Premises and to remodel, refurbish, rebuild or relocate the Restaurant or the Premises, in accordance with Landlord's then-current policies and procedures for the remodeling, refurbishing, rebuilding and relocating of sites, including without limitation making such site selection and design, structural, remodeling, redecoration and other modifications and changes to the Premises, Leasehold Improvements, Equipment, design and décor, trade dress, color scheme and other things as Landlord deems necessary or appropriate. Notwithstanding anything to the contrary contained herein, Tenant shall permit and cooperate with Landlord and its agents and designees to coordinate and complete, any such remodeling, refurbishment, rebuilding or relocating of the Premises.

(b) *Prohibition on Tenant Changes.* Tenant shall not make any change in, alteration of, or addition to any part of the Premises, or remove any fixtures or improvements, including without limitation the Equipment and the Leasehold Improvements, without the prior written consent of Landlord. All buildings and improvements and all plumbing, heating, lighting, electrical and air conditioning fixtures and equipment and all property that, as of the Commencement Date, are the property of Landlord (including without limitation the Equipment and the Leasehold Improvements) or of the Fee Owner (as defined below) of the Premises, are and shall remain a part of the real estate and be considered to be leased under this Lease.

6. Damage to Premises, Personal Injury, and Casualty.

(a) *Damage to Premises; Personal Injury.* Any damage to or loss of the Premises, the Equipment, the Leasehold Improvements, any other fixtures on or improvements to the Premises, or any personal property of any person or entity, as well as any and all liability of Tenant or Landlord for personal injury or otherwise, caused by or resulting from any act or omission of Tenant, Tenant's employees, agents, affiliates, contractors, invitees, or customers, shall be allocated pursuant to and governed by the terms and conditions of this Lease and the Franchise Agreement.

(b) *Casualty.* If the Premises is damaged by fire or any other casualty, Landlord shall, within a reasonable time from the date of the damage or destruction, repair or replace the Premises; provided, however, that Landlord shall have the right to terminate this Lease (and, in turn, the Franchise Agreement to which this Lease is attached and a part of) by providing Tenant notice in writing of such termination, and thereupon the Term shall expire, effective the date of the casualty, and Tenant shall vacate the Premises and surrender the same to Landlord within 10 days after receipt of such notice. Landlord also shall have the right, in its sole discretion, to limit its rebuild or restoration of the Premises hereunder to the extent of the net insurance proceeds recovered by Landlord. Tenant hereby expressly waives and releases any and all claims against Landlord for damages in case of Landlord's failure to rebuild or restore in accordance with the provisions of this Section. Tenant's sole remedy for any such failure shall be to elect to terminate the Franchise Agreement (which will effect a simultaneous termination of this Lease)

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as of the date of occurrence of the damage or destruction. If the Building and other improvements are not repaired, restored, or replaced, for any reason, all proceeds of any all-risk coverage or other like insurance applicable to the Building and other permanent improvements shall be due and payable to Landlord. Tenant agrees to execute and deliver any release or other document Landlord may request for Landlord to obtain the release or control of the proceeds.

7. Charges Billed to or Paid by Landlord. If any Additional Charge or Expense that Tenant is obligated to pay pursuant to this Lease is initially billed to or paid by Landlord, Landlord shall have the right to rebill such charge or cost to Tenant. If Landlord rebills any such Additional Charge or Expense to Tenant, Tenant shall pay promptly the rebilled charge or cost directly to the appropriate business, governmental authority or other person or entity. If Landlord, at its election, pays any such Additional Charge or Expense on behalf of Tenant, Tenant shall reimburse Landlord immediately upon Tenant's receipt of Landlord's written notice of having made such payment, in Landlord's sole discretion, either by (i) issuing Landlord a check or (ii) acknowledging and, to the extent required, approving Landlord's adjustments to the amounts owed by Landlord to Tenant or owed by Tenant to Landlord under the Franchise Agreement.

8. Insurance.

(a) *Required Minimum Insurance Coverage.* Tenant acknowledges the insurance requirements set forth in Section 9.2 of the Franchise Agreement and covenants and agrees to maintain in full force and effect during the entire Term, at Tenant's own expense, insurance on the Premises and for the operation of the Restaurant as set forth and otherwise required pursuant to Section 9.2 of the Franchise Agreement. Landlord may from time to time, in its sole discretion, offer or require different or modified insurance programs, coverages or terms and, upon notice of such changed programs, coverages, terms or other requirements, Tenant agrees to maintain in full force and effect during the remaining Term, at Tenant's own expense, such insurance on the Premises and the operation of the Restaurant as set forth and otherwise then required pursuant to Section 9.2 of the Franchise Agreement.

(b) *Placement by Landlord.* If Tenant fails to obtain the required insurance, Landlord may at its option, but is not obligated to, purchase such insurance, and may add the premiums paid to the Additional Charges and Expenses. Additionally, Tenant may authorize Landlord from time to time to purchase and administer the required minimum insurance on Tenant's behalf. In any event, by placing any required minimum insurance, Landlord assumes no responsibility for premium expenses nor guarantees payment for any losses sustained by Tenant.

(c) *Limited Waiver of Covered Claims.* Landlord and Tenant each hereby agree and hereby waive any and all rights of recovery against each other for loss or damage occurring to the Premises or any of Landlord's or Tenant's property located at the Premises regardless of the cause of such loss or damage to the extent that the loss or damage is covered by the injured party's insurance or the insurance the injured party is required to carry under this Lease, whichever is greater (without regard to any deductible provision in any policy). This waiver does not apply to claims caused by a party's willful misconduct. This waiver also applies to each party's directors, officers, employees, shareholders, members, affiliates, and agents.

9. Inspection. Landlord, or its designee, shall have the right to enter and inspect the Premises at any time on business days, without notice to Tenant, to insure that Tenant and all aspects of the Premises thereof are in compliance with this Lease and all then-current standards as described or defined in the Franchise Agreement.

10. Default, Termination, and Remedies.

(a) *Default.* This Lease and the term and estate hereby granted are subject to the limitation that upon the occurrence, at any time prior to or during the Term, of any one or more Events of Default (as such term is defined below) Tenant shall be in default under this Lease and Landlord shall have the right and, at its election, may terminate this Lease pursuant to Section 10(b) below without any prejudice to any other remedy available to Landlord at law or in equity. The following events (referred to as “Events of Default”) shall each be an event of default by Tenant under this Lease: (i) Tenant defaults in the payment of any installment of Rent, Equipment Rental Fee, Additional Charges and Expenses, or any other sum due under this Lease; (ii) Tenant defaults in any of the covenants, agreements, conditions, or undertakings to be performed, observed or adhered to by Tenant under this Lease other than the payment of Rent, Equipment Rental Fee, Additional Charges and Expenses, or any other sum due under this Lease, and other than any other Event of Default listed in this Section 10(a), and such default continues for 10 days after notice in writing to Tenant; (iii) Tenant attempts or otherwise purports to assign or encumber this Lease (or Tenant’s estate or interest herein or in the Premises) to or to sublet or allow occupancy of the Premises by a third party without the express written consent and approval of Landlord, contrary to Section 16(e) hereof; (iv) Tenant violates, breaches or otherwise defaults in any of the terms of the Franchise Agreement or the Franchise Agreement terminates for any reason; (v) Tenant or any of its officers, directors, members, employees, agents, or contractors performs any act, neglects to perform any duty, or fails to adhere to any standard of conduct that would constitute a violation or default (or threatens to violate or default) under any Title Document (or any document related to any of the foregoing); (vi) Tenant files, or consents by answer or otherwise to the filing against Tenant of, a petition for relief or any other petition in bankruptcy, or any proceeding in bankruptcy or under any insolvency law for liquidation, reorganization or rearrangement of Tenant’s affairs; (vii) Tenant makes a general assignment for the benefit of creditors or consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of himself or of any substantial part of Tenant’s property; (viii) Tenant is adjudicated or becomes insolvent; (ix) a court or other governmental agency of competent jurisdiction enters an order appointing a custodian, receiver or trustee, or an officer with similar powers, with respect to Tenant or any substantial part of Tenant’s business or assets, or an order for relief is entered in any case for Tenant to take advantage of any bankruptcy or insolvency law of any jurisdiction relative to Tenant, or a petition for such relief is filed against Tenant and not dismissed or stayed within 60 calendar days; or (x) Tenant vacates or abandons the Premises.

(b) *Termination.* If there shall be an Event of Default as set forth in Section 10(a) above, Landlord, in the exercise of its sole discretion, shall have the right, upon its election, to terminate this Lease immediately and to declare the Term of this Lease ended upon giving notice thereof, without any further obligation or liability to Tenant. If this Lease is terminated under this Section 10(b) or otherwise terminates or expires, then the Franchise Agreement shall also immediately and automatically terminate or expire effective as of the effective date of

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termination or expiration of this Lease, and Landlord shall have the right to re-enter upon and take possession of the Premises without further formality and without the necessity of any court action, dispossessory proceeding, or further notice or legal proceedings whatsoever. It is also expressly acknowledged and agreed by Landlord and Tenant that the termination, expiration, or revocation of the Franchise Agreement by either party for any reason, either in whole or in part, shall also terminate this Lease effective immediately, without further notice being required.

(c) *Duties Upon Termination or Expiration.* Upon the termination or expiration of this Lease for any reason, Tenant shall (i) immediately return to Landlord all of the Equipment; (ii) immediately pay Landlord the full amount of all sums due and owing under this Lease; (iii) remove all of Tenant's personal property, if any, from the Premises and shall repair any resulting damage to the Premises; and (iv) quit and surrender the Premises to Landlord broom clean, in good order and condition, ordinary wear and tear and damage by fire or other casualty excepted.

(d) *Duty to Vacate.* Tenant shall vacate the Premises of such terminated Restaurant and return to Landlord all of the Equipment immediately upon the termination or expiration of this Lease or the Franchise Agreement, and permit the peaceable possession of the Premises by Landlord or, at Landlord's election, a new authorized tenant. Should Tenant fail to do so, Landlord may re-enter, expel, remove and put out Tenant and all persons occupying the Premises under Tenant, using such force as may be reasonably necessary in so doing, and repossess the Premises. Such re-entry and repossession shall not be deemed a forfeiture of any past due Rent, Equipment Rental Fee, or Additional Charges and Expenses to be paid hereunder and shall not terminate any covenants to be performed by Tenant during the Term of this Lease.

(e) *Irreparable Harm.* Tenant acknowledges, agrees and warrants that the failure of Tenant to vacate and permit the possession of the Premises by Landlord upon a termination or expiration of this Lease or the Franchise Agreement, or upon an Event of Default pursuant to the terms of this Lease or the Franchise Agreement, would result in irreparable damage and harm to Landlord that could not be adequately compensated by money damages or other remedy at law. Accordingly, in the event of the failure of Tenant to so vacate and permit the possession of the Premises by Landlord upon termination or expiration of this Lease or the Franchise Agreement, or other breach of this Lease or the Franchise Agreement by Tenant, Landlord shall be entitled, if it so elects, in addition to any other remedies available to it, to immediate equitable relief therefor, including without limitation a temporary restraining order or preliminary injunction which may include an order for specific performance. If Landlord brings such an action for equitable relief, Tenant hereby waives any defense that Landlord has an adequate remedy at law.

(f) *Right to Perform for Tenant.* If Tenant fails to perform any of its obligations under this Lease, Landlord, at its option, may (but is not required to) do the same or cause the same to be done, in addition to any and all other rights and remedies of Landlord. The cost incurred by Landlord in connection with such performance by Landlord shall be an additional charge due from Tenant to Landlord, together with Interest (as defined in Section 10(g) below) thereon.

(g) *Interest on Amounts Due.* In the event that Tenant is past due on the payment of any amount due Landlord under this Lease, including without limitation any Rent, Equipment Rental Fee, or Additional Charges and Expenses, Landlord shall have the right at its option to require Tenant, to the extent permitted by law, to pay interest on any such past due amount for the period beginning with the original due date for payment to the date of actual payment at a

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rate equal to the lesser of eighteen percent (18%) per annum or the highest legal rate (“Interest”). Such Interest shall be in addition to any other rights or remedies Landlord may have under this Lease. Tenant acknowledges that this Section 10(g) shall not constitute Landlord’s agreement to accept such payments after the same are due or a commitment by Landlord to extend credit to, or otherwise finance, Tenant’s operation of the Restaurant.

(h) *Remedies Not Mutually Exclusive.* The remedies in this Lease granted to Landlord will not be exclusive or mutually exclusive, and Landlord will have such other remedies against Tenant as may be permitted in law or in equity at any time. Any exercise of a right of termination by Landlord will not be construed to eliminate any right of Landlord to damages on account of any default of Tenant, including without limitation damages for Rent, Equipment Rental Fee, and Additional Charges and Expenses otherwise due under the Lease.

(i) *Survival.* The obligations of Tenant, as well as the rights of Landlord, under Sections 3, 6, and 10 through 16 (inclusive) shall survive any expiration, termination or other cancellation of this Lease.

11. Holdover. Tenant shall not holdover or remain in occupancy beyond the expiration or termination of this Lease. If Tenant remains in occupancy beyond the expiration or termination of this Lease, such holdover shall be deemed a tenancy at sufferance by Tenant upon the same conditions as are provided for in this Lease (except Tenant shall be required to stop using the Marks and to de-identify the Premises as required under the Franchise Agreement and applicable law) but with Base Rent and Percentage Rent for the period of such holding over being 200% of the Base Rent and Percentage Rent last paid by Tenant during the Term of this Lease, as liquidated damages and not as a penalty, such amount being considered by both Landlord and Tenant to be a reasonable pre-estimate of Landlord’s probable monetary losses under this Lease, which are difficult or impossible to calculate at the time of the execution of this Lease. Such amounts shall be calculated on a per diem basis. Landlord’s acceptance of any Rent or liquidated damages after holding over begins shall not be deemed a renewal of this Lease nor be deemed to create a new tenancy of any kind. Neither this provision nor the acceptance of any liquidated damages hereunder shall waive Landlord’s rights of re-entry or any other rights or remedies under this Lease or the Franchise Agreement (including, but not limited to, injunctive or other equitable relief). Tenant’s obligations under this Section shall survive the expiration or other termination of this Lease. In addition, Tenant shall pay Landlord for all damages (including, but not limited to, consequential damages) sustained by reason of Tenant’s retention of possession of the Premises after the end of the Term.

12. Indemnification and Waiver.

(a) *Indemnification.* If Landlord, or a subsequent tenant of the Restaurant on the Premises is subjected to any claim, demand or penalty, or becomes a party to any suit or other judicial or administrative proceeding by reason of (i) any claimed act or omission by Tenant or Tenant’s agents, contractors, employees, or affiliates, (ii) any claimed violation of any Requirements of Law by Tenant or Tenant’s agents, contractors, employees, or affiliates, (iii) any damages allegedly resulting from a breach by Tenant of this Lease or the Franchise Agreement, (iv) any damages allegedly resulting from a willful misrepresentation to Landlord by Tenant or Tenant’s agents, contractors, employees, or affiliates, or (v) any act occurring on the Premises during the Term, then Tenant shall indemnify and hold harmless Landlord and any

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subsequent tenant of the Restaurant or a like business against all judgments, settlements, penalties, expenses, attorneys' fees, court costs and other costs of litigation, or administrative proceedings incurred by or imposed on Landlord or any subsequent tenant of the Restaurant or a like business. At the election of Landlord or any subsequent tenant of the Restaurant or a like business, Tenant shall also defend Landlord or such subsequent tenant in any action or suit in which a party claims or seeks damages or other award of the type listed above, subject to the right of Landlord or such subsequent tenant to approve counsel selected by Tenant and the resolution of any such litigation.

(b) *Waiver.* Tenant waives the service of any notice of intention to re-enter or to institute legal proceedings to that end which otherwise might be required to be given under any present or future law. Tenant shall not have, and hereby expressly waives, any and all rights that are or may be conferred upon Tenant by any present or future law to redeem the Lease or the Premises, or to re-enter the Building or the Premises, or to restore the operation of the Lease, after (i) re-entry by Landlord, (ii) any warrant to dispossess or judgment in ejection, or (iii) any expiration or termination of this Lease and the Term, whether such dispossession, re-entry, expiration or termination of this Lease and the Term is by operation of law or pursuant to the provisions of this Lease. If Landlord shall acquire possession without judicial proceedings, it shall be deemed a re-entry within the meaning of that word as used in this Lease and not a technical or legal definition. In the event that Landlord elects to recover possession by invoking judicial process, Tenant acknowledges that the Premises is to be used for commercial purposes, and Tenant expressly waives and relinquishes any and all protections and rights afforded a commercial tenant under Indiana law or any law of like import now or hereinafter in effect or applicable, if any.

13. Subordination.

(a) *Lease is Subordinate.* This Lease and all of Tenant's rights, title and interest under the Lease are and shall be subject, subordinated and inferior to the lien of any and all mortgages and other security instruments and to the rights of all parties under any sale and leaseback of the Premises that Landlord or any grantee of Landlord (collectively, the "Fee Owner") has or may place upon the Premises and the improvements thereon, in the same manner and to the same extent as if this Lease had been executed subsequent to the execution, delivery and recording of such mortgage or other security instruments or of the deed and lease under such sale and leaseback. Any such mortgages or other security instruments are declared to be superior to the interest of Tenant in this Lease.

(b) *Duty to Assist Sale and Leaseback Arrangements.* The subordination of this Lease to any mortgage or other security instruments or to any lease under a sale and leaseback arrangement shall be automatic and self-operative, and no special instrument of subordination shall be necessary. Without limiting such automatic and self-operative subordinations, however, Tenant will, on demand, execute without expense to the Fee Owner, any and all instruments that Fee Owner may deem necessary to evidence the subordination of this Lease and all rights in this Lease to the lien of any such mortgage or to any such lease under a sale and leaseback arrangement.

(c) *Duty to Provide Written Instruments.* Tenant shall, without charge, within 10 days after request (time being of the essence) by Landlord or any holder of a mortgage or other

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security interest encumbering the Premises, deliver a written instrument to the requesting party, certifying to the requesting party and any other party designated by such requesting party: (i) that this Lease is unmodified and in full force and effect or, if there has been any modification, that the Lease is in full force and effect as modified by any such modifications; (ii) whether the Term of this Lease has commenced, Rent has become payable thereunder, and Tenant has accepted possession of the Premises; (iii) whether Tenant has any defenses or offsets against the enforcement of any of the terms of this Lease and any modification hereof, and, if so, specifying the same; (iv) the dates to which the Base Rent, Percentage Rent, Additional Charges and Expenses, and other charges hereunder, have been paid; (v) whether or not Landlord is in default of its obligations hereunder and whether Tenant has made any claim against Landlord under this Lease, and if so, the nature thereof and the dollar amount, if any, of such claim; (vi) that the Premises is used only for the purpose set forth herein and is not in violation of any Requirements of Law; and (vii) to such other matters as the requesting party may reasonably request.

14. Security Interest. Tenant acknowledges and affirms that, under the Franchise Agreement, Tenant has granted Landlord a security interest (“**Security Interest**”) in all of the Equipment and other furniture, fixtures, equipment, signage, and realty (including Tenant’s leasehold interests in the Premises and personal property leases) of the Restaurant, together with all similar property now owned or leased or hereafter acquired additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant.

15. Taxes. Tenant shall be responsible for all personal property taxes levied upon the Equipment and other improvements located on the Premises as well as all real estate taxes and special and general assessments that are levied or assessed against the Premises, including without limitation any tax that is levied or assessed against the rental, real or tangible personal property. Landlord will prepare returns and submit payments for any such taxes due. Any amounts paid by Landlord pursuant to this Section 15 will be charged to Tenant and repaid to Landlord out of Tenant’s monthly Gross Receipts as part of the Restaurant’s Operating Costs and Expenses.

16. General Provisions.

(a) *Notice.* Whenever under this Lease a provision is made for notice of any kind, such notice shall be in writing, and it shall be deemed sufficient notice and service thereof if such notice is sent by registered or certified mail, postage prepaid (effective 3 business days after deposit in the mail), or reputable overnight delivery service (effective the business day following deposit with such courier), if to the following, or such other address as the parties may provide from time to time:

Tenant:

[_____

_____]

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Landlord: Attn: Legal Department
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204
fax: 317/633-5455, phone: 317/633-4100

(b) This Lease may not be amended, supplemented or otherwise modified orally or by any course of dealing or performance and shall only be deemed amended, supplemented or otherwise modified by a further agreement in writing duly executed and delivered by Landlord and Tenant; provided, however, Landlord may amend or modify the Lease and its Exhibits from time to time as expressly provided for in this Lease. No attempted waiver or cancellation of any provision of this Lease shall bind Landlord unless in writing and signed by Landlord.

(c) No failure by either party hereto, at any time, or from time to time, to enforce the strict keeping and performance of any term or condition of this Lease, nor any action or course of dealing or performance by either party not consistent with the terms and conditions hereof, shall constitute a waiver of any such, or any other, term or condition at any future time and shall not prevent such party from insisting on the strict keeping and performance of such, and all other, terms and conditions at the same and all later times. The rights in this Lease to receive, collect or sue for any Rent, Equipment Rental Fee, Additional Charges and Expenses, monies or payments, or to enforce the terms, covenants, provisions and conditions of this Lease, or to prevent the breach or nonobservance thereof, or to exercise any right or remedy in this Lease, shall not in any way affect the right or power of Landlord to declare the Term ended and to terminate this Lease because of any default in or breach of any of the terms, covenants, provisions or conditions of this Lease. No payment by Tenant or receipt by Landlord of an amount less than the Rent, Equipment Rental Fee, and Additional Charges and Expenses required hereunder shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent and other charges and expenses or to pursue any other remedy provided for in this Lease.

(d) Each and every provision of this Lease is severable, and invalidity of one or more provisions shall not, in any way, affect the validity of this Lease or any other provision hereof. If any material term of this Lease is stricken or declared invalid, Landlord reserves the right to terminate this Lease at its sole option. Should any provision of this Lease require judicial interpretation, the terms hereof shall not be more strictly construed against either party.

(e) The Franchise Agreement and this related Lease, and the franchise that is the subject thereof, were offered and granted by Landlord to the individual Tenant personally who is the original signatory to the Franchise Agreement, were offered and granted in reliance on such individual's personal qualifications, experience, aptitude and the other qualifications and selection criteria as evaluated by Landlord. Except as expressly provided under the Franchise Agreement and this related Lease, neither this Lease nor Tenant's estate or interest herein may be accepted by any other person, heir, successor, partnership, corporation, limited liability company or other entity, or transferred by assignment, will or operation of law. Tenant shall not without the express written consent and approval of Landlord: (i) assign or permit to be assigned this Lease or Tenant's estate or interest herein or in the Premises to any person or entity; (i) sublet the Premises, or mortgage, pledge or otherwise encumber Tenant's interest in this Lease or the Premises; or (iii) permit or facilitate in any way occupancy of the Premises by any person or

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entity other than Tenant. The transfer (or transfers in the aggregate) of an interest in the Franchise Agreement or Tenant (if Tenant is an entity) shall be deemed an attempted assignment of this Lease and is strictly prohibited hereunder. Any attempted assignment of this Lease (or Tenant's estate or interest herein or in the Premises) or sublet by Tenant shall be void and of no force or effect, and no purported assignment or sublet shall release Tenant from any of its obligations under this Lease. Landlord has the right to assign this Lease to any person or entity in its sole discretion, and the benefits and obligations of Landlord hereunder shall inure to and be binding upon any such assigns. The covenants and obligations of Tenant hereunder shall extend to and be binding upon the administrators, executors, heirs, and assigns and successors of Tenant, provided, however, that any such purported assignee shall not receive the benefits of this Lease unless Landlord has consented in writing to such purported assignment, which consent Landlord may withhold for any reason whatsoever in its sole discretion under this Lease and pursuant to the terms and conditions of the Franchise Agreement.

(f) This Lease and the Franchise Agreement to which it is attached constitute a complete and integrated agreement between Landlord and Tenant concerning the subject matter of the Restaurant and this Lease and supersede all prior agreements between the parties. No other representations or statements of any kind have induced Tenant to sign this Lease except that Tenant may rely on Landlord's representations in the most recent Franchise Disclosure Document that Landlord delivered to Tenant, including its exhibits and any amendments or supplements, in connection with Tenant's entry into this Lease (the "FDD"). No representations, promises or agreements, oral or otherwise, not appearing in or attached to this Lease or in the FDD were made by either party and none shall have any effect with reference to this Lease. No officer, employee, or other servant or agent of Landlord is authorized to make any representation, warranty, or other promise not contained in this Lease or the FDD. No change, termination, or attempted waiver or cancellation of any provision of this Lease shall bind Landlord unless in writing and signed by Landlord.

(g) This Lease shall not become valid against either party hereto until it has been executed by Tenant and accepted and executed by Landlord. TIME IS OF THE ESSENCE with respect to the due performance of the terms, covenants and conditions herein contained, provided, however, that no delay or failure to enforce any of the provisions herein contained and no conduct or statement shall waive or affect any of Landlord's rights hereunder. Tenant shall have no authority, express or implied, to act as agent of Landlord or any of its affiliates for any purpose. Tenant is, and shall remain, an independent contractor responsible for all obligations and liabilities, directly or indirectly, resulting from the operation of the Restaurant located on the Premises. All agreements, covenants and indemnifications contained herein or made in writing pursuant to the terms of this Lease by or on behalf of Tenant shall be deemed material and shall survive expiration or sooner termination of this Lease.

(h) All rights, duties and obligations of the parties hereto arising out of or relating to the subject matter of this Lease shall be governed, construed, interpreted and enforced solely under the laws and decisions of the State of Indiana as they exist on the effective date of this Lease and thereafter may be amended or changed from time to time (except and without reference to any conflict of law principles, rules and decisions), including without limitation all controversies, disputes and claims of any nature between the parties arising out of or relating to the validity, performance, interpretation, enforcement, termination or expiration of this Lease or any related lease or sublease under this Lease, Landlord's right to enter upon and take possession

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of any Premises, and any other aspect of the parties' agreement or relationship. The laws of the State of Indiana shall prevail and otherwise be applied to all such disputes in the event of any conflict of laws. No failure by either party to declare a default immediately upon its occurrence, nor any delay by either party in taking action for a default, nor Landlord's acceptance of Rent, Equipment Rental Fee, Additional Charges and Expenses, or other amounts due with knowledge of a default by Tenant, shall constitute a waiver of the default, nor shall it constitute an estoppel.

(i) TO THE EXTENT PERMITTED BY LAW, LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR IN ANY WAY CONNECTED TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY OTHER CLAIMS, AND ANY EMERGENCY STATUTORY OR ANY OTHER STATUTORY REMEDY WITH RESPECT THERETO. If Landlord commences any summary proceeding, or any other proceeding or action to recover possession of the Premises, Tenant hereby waives the provisions of any law relating to notice or delay in levy of execution for possession or any law of like import now or hereafter in effect. Tenant shall not interpose any counterclaim or claim for set-off of whatever nature or description in any such action or proceeding, except for statutory mandatory counterclaims.

(j) Tenant has and shall continue to develop a substantial and continuing relationship with Landlord at its offices in the State of Indiana, where Landlord's decision-making authority is vested and where its System operations are conducted and supervised. 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. This exclusive choice of jurisdiction and venue provision governs except that claims for injunctive relief may be brought by Landlord in any appropriate jurisdiction where Tenant is located. This exclusive choice of jurisdiction and venue provision also shall not restrict the ability of any party to enforce any judgment, award or order in any appropriate jurisdiction or to obtain the full faith and credit of any judgment, award or order obtained.

(k) Only a court that is a court of general jurisdiction may, and under no circumstances shall a magistrate court, justice of peace court, small claims court, housing court, eviction court, dispossessory court, or any other court that is not a court of general jurisdiction, determine any controversy or claim arising out of or relating to the termination of this Lease or Landlord's resulting right to enter upon and take possession of the Premises, including but not limited to any claim or controversy regarding whether a termination of this Lease was proper or effective under the Lease's terms and applicable law.

(l) Tenant shall not record this Lease or any notice, memorandum or short-form version of this Lease without the prior written consent of Landlord. If Landlord desires to record any notice, memorandum or short form version of this Lease, Tenant shall promptly execute the same upon request.

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(m) This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

(n) Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of Rent, Equipment Rental Fee, or Additional Charges and Expenses, Tenant's payment of any monetary amount, or Tenant's performance of any obligation that can be satisfied by the payment of a commercially reasonable amount of money), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party ("Force Majeure"). The foregoing Force Majeure provision shall not apply to, or result in, an extension of the Term of this Lease nor apply to any of Tenant's obligations to vacate the Building and the Premises upon the expiration or earlier termination of the Term, nor any other obligations under Sections 10 and 11 of this Lease. Tenant may not rely on the foregoing Force Majeure provision unless it notifies Landlord of the occurrence of a Force Majeure event within 10 days following its occurrence.

(o) Nothing in this Lease shall authorize Tenant to do any act that shall in any way encumber the interest or estate of Landlord or the estate of Fee Owner in the Premises if Landlord is not the Fee Owner. Tenant shall not permit the Premises to become subject to any claim by lien or encumbrance, and Tenant shall immediately pursue in good faith its legal remedies to remove a lien on the Premises. If any lien is filed against the Premises or Tenant's interest in this Lease, at Landlord's option, Tenant shall either pay the amount of the lien in full or shall provide for a non-cancelable bond acceptable by Landlord, in an amount deemed sufficient by Landlord to protect the interest of Landlord and any mortgagee or holder of other security interest from any loss resulting from such lien.

(p) Except as otherwise expressly stated in this Lease, any consent or approval required to be obtained from Landlord may be granted by Landlord in its sole discretion, which may take into account and consideration Landlord's assessment of, among other things, the long term interests of the Landlord's Marks, the Premises, and the System overall. Tenant and Landlord recognize and agree, and any court or judge is affirmatively advised, that if Landlord's activities or decisions are supported by its business judgment, neither said court, said judge nor any other person reviewing those activities or decisions should or may substitute his, her or its judgment for Landlord's judgment. In any instance in which Landlord has expressly agreed herein or is found to be required by law not to act unreasonably or to act in any particular manner notwithstanding the express terms and conditions of this Lease or the Franchise Agreement, Tenant hereby agrees that Landlord will not have acted unreasonably in withholding or denying its approval or consent if, without limitation, Tenant is not in strict adherence with all of, or otherwise is in default or breach of any of, the terms and conditions of this Lease or the related Franchise Agreement. Tenant hereby waives any claim for damages against or liability of Landlord that Tenant may have based upon any assertion that Landlord has unreasonably withheld, unreasonably conditioned or unreasonably delayed any consent or approval requested by Tenant, and Tenant's sole remedy shall be an action or proceeding to enforce any related provision or for specific performance, injunction or declaratory judgment and Landlord shall have no liability whatsoever to Tenant for its refusal or failure to give such consent or approval.

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Tenant's sole remedy for Landlord being deemed to have unreasonably withheld, conditioned or delayed consent or approval in such event shall be as provided in this Section.

{Signatures Appear on Following Page}

FORM OF AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Lease on the date set forth next to their respective signatures to be effective as of the Effective Date.

LANDLORD:

Date: _____

By: _____

Its: _____

TENANT:

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

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EXHIBIT 1

LEGAL DESCRIPTION OF THE PREMISES

FORM OF AGREEMENT

EXHIBIT 2

TITLE DOCUMENTS AND OTHER RELATED DOCUMENTS

EXHIBIT 3
RENT

Monthly Base Rent: \$ _____

Monthly Percentage Rent Break Point: \$ _____

Percentage Rent Rate: _____ %

EXHIBIT 4

EQUIPMENT LEASE ADDENDUM

1. Landlord rents to Tenant, and Tenant rents from Landlord, commencing on the Commencement Date, upon the terms and conditions set forth herein, the Equipment listed on **Schedule 1** attached hereto and made a part hereof (together with any replacements thereof and additions or accessions thereto). Tenant agrees that Landlord shall have the right, in its sole discretion, to substitute comparable Equipment for that which is listed on Schedule 1. Tenant shall keep and maintain the Equipment only at the Premises, unless otherwise approved in writing by Landlord, may use the Equipment only in connection with Tenant's operation of the Restaurant at the Premises, shall service and repair the Equipment in order to maintain the Equipment's appearance and good working condition, and shall not make any changes, alterations or additions thereto without the prior written consent of Landlord, all in accordance with Landlord's then-current standards and other policies and procedures as may be amended by Landlord from time to time. In servicing and repairing the Equipment, Tenant shall solely use suppliers and vendors that demonstrate the ability to meet Landlord's then-current standards for such items and that possess adequate quality controls, experience and capacity to service and repair the Equipment and otherwise supply Tenant's needs promptly, accurately and reliably. In the exercise of Landlord's sole discretion, Landlord may deliver used Equipment to the Premises or leave Equipment at the Premises that had been used at the Premises prior to the date hereof.

2. Commencing on the Commencement Date, Tenant shall pay to Landlord a monthly rental for the Equipment equal to two thousand Dollars (\$2,000) (the "Equipment Rental Fee"). The Equipment Rental Fee shall be payable in advance to Landlord on the first day of each calendar month throughout the Term via ACH transfer. Tenant agrees to pay the Equipment Rental Fee to Landlord without demand, counterclaim, or set-off.

3. Commencing on the Commencement Date, Tenant shall timely pay directly to the appropriate business, governmental entity or other person or entity any and all costs and expenses of operating and maintaining the Equipment for the Restaurant during the Term of the Lease, including without limitation the following:

- (i) all charges, costs and expenses necessary to maintain the Equipment in good condition, ordinary wear and tear excepted; and
- (ii) all charges and costs of all ordinary repairs to the Equipment.

4. Landlord will prepare returns and submit payments for all taxes, levies and charges assessed against the Equipment or against Tenant or Landlord in respect of the Equipment. Any amounts paid by Landlord pursuant to this Section 4 will be charged to Tenant and repaid to Landlord out of Tenant's monthly Gross Receipts as part of the Restaurant's Operating Costs and Expenses.

5. If, in the sole discretion of Landlord, any Equipment becomes worn out due to normal wear and tear and such Equipment cannot reasonably be repaired, then Landlord will replace such Equipment at its own expense. Tenant is responsible for and must replace at Tenant's own expense any and all equipment or other items not listed on **Schedule 1** but used in the operation of the Restaurant, as and to the extent such equipment and other items become worn out.

**SCHEDULE 1 TO EXHIBIT 4
LIST OF EQUIPMENT**

**APPENDIX B-2 TO FRANCHISE PARTNER FRANCHISE AGREEMENT
FORM OF SUBLEASE AGREEMENT**

**STEAK N SHAKE INC.
SUBLEASE AGREEMENT**

THIS SUBLEASE AGREEMENT (this "Sublease") is made and entered effective as of the ____ day of ____, 2025 (the "Effective Date"), by and between Steak n Shake Inc., an Indiana corporation ("Sublessor") and [_____] a [_____] ("Sublessee").

WHEREAS, Sublessor, as tenant and [_____] ("Landlord") are the current parties to that certain [LEASE AGREEMENT] dated as of ____, for that certain land located at _____ (the "Premises"). The above referenced Lease, including all exhibits, addendums and attachments, as so amended, modified and assigned, is attached hereto as **Exhibit 1** and hereinafter referred to as the "Prime Lease" and incorporated herein by reference.

WHEREAS, Steak n Shake Enterprises, Inc., an Affiliate of Sublessor, as franchisor, and Sublessee, as franchisee, have entered into that certain Franchise Partner Franchise Agreement dated as of ____ (the "Franchise Agreement"), pursuant to which Sublessee will operate a Steak n Shake by Biglari Restaurant located at the Premises (the "Restaurant").

WHEREAS, on the Premises, Sublessor owns certain equipment, fixtures, furnishing, and décor related to the operation of the Restaurant.

WHEREAS, Sublessee desires to sublease the Premises from Sublessor upon the terms and conditions hereinafter set forth.

WHEREAS, Sublessee desires to lease certain equipment, fixtures, furnishing, and décor from Sublessor for use on the Premises.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, Sublessor and Sublessee hereby agree as follows:

1. Subleased Premises. Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, all the Premises ("Subleased Premises").

2. Term. This Sublease shall be in force for a term ("Sublease Term") commencing on the date which the Franchise Agreement becomes effective ("Commencement Date") and ending on the expiration or termination of the Franchise Agreement; provided, however, this Sublease shall automatically terminate upon the expiration or termination for any reason of the Prime Lease. The Sublease Term is subject to any rights set forth herein for the earlier termination or expiration of the Sublease Term or the earlier termination or expiration of the Franchise Agreement. Notwithstanding anything herein to the contrary, this Sublease shall terminate automatically without any notice to Sublessee (i) upon the expiration or earlier termination of the Franchise Agreement, or (ii) if and when Sublessee dies or becomes disabled to the extent that Sublessee is unable to perform any of its obligations hereunder or under the Franchise Agreement. Upon the expiration or termination of this Sublease, Sublessee shall, at Sublessee's cost and expense, surrender the Subleased Premises in the manner required under [_____] of the Prime Lease. All obligations of Sublessee hereunder shall survive the expiration of the Sublease Term or sooner termination of this Sublease.

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3. Rent.

(a) *Rent Payments.* Sublessee agrees to pay to Sublessor all amounts owed to Landlord pursuant to the terms of the Prime Lease on or before the date such payment is required to be made by Sublessor under the Prime Lease (“Rent”). Rent shall be payable in advance to Sublessor on the first day of each calendar month throughout the Sublease Term via ACH transfer. Sublessee agrees to pay all Rent and additional sums due under this Sublease to Sublessor without demand, counterclaim, or set-off.

(i) In addition, Sublessee shall pay Sublessor an additional rental fee in an amount equal to [___ percent] of all gross receipts from the operation of the Restaurant at the Premises (“Additional Rental Fee”). The Additional Rental Fee shall be payable in advance to Sublessor in accordance with this Section 3.

(b) *Interest on Amounts Due.* All past due Rent and other sums of any kind past due hereunder shall be subject to any Late Charge (as defined in the Prime Lease) required pursuant to [_____] of the Prime Lease and bear interest pursuant to [_____] of the Prime Lease until paid in full.

(c) *Change to Rent.* If at any time during the Sublease Term, (i) the Subleased Premises is demolished and reconstructed, (ii) the Subleased Premises is refurbished or remodeled, or (iii) any amounts owed to Landlord under the Prime Lease are increased, Sublessor shall have the right to increase the Rent for the Subleased Premises, effective upon delivery of written notice to Sublessee.

4. Prime Lease. This Sublease is subject to all the provisions, terms, covenants, and conditions of the Prime Lease as follows:

(a) *Payment of rentals.* Sublessor agrees to pay the Rent and any and all other amounts due Landlord from Sublessor pursuant to the terms of the Prime Lease, as provided in the Prime Lease, and Sublessee agrees to pay as required by the Prime Lease and any operating agreement benefitting said Premises (or reimburse Sublessor, if applicable), all Rent and other sums due and payable pursuant to the terms of the Prime Lease for the use and occupancy of the Subleased Premises during the Sublease Term, common area maintenance expenses, indemnity obligations, insurance, taxes, holdover rent, maintenance, repairs, alterations, additions, or other sums which may be deemed additional rent under the Prime Lease and are required to be paid by the Tenant/Sublessor under the Prime Lease. The sums payable by Sublessee under this Section constitute additional rentals under applicable law.

(b) *Duties and obligations.* Sublessee assumes and agrees to perform and observe all provisions, terms, covenants, and conditions of the Tenant/Sublessor under the Prime Lease as the same relate to the Subleased Premises and to Sublessee’s use and occupancy of the same during the Sublease Term, except as may be expressly provided to the contrary herein. Sublessee shall have no right to exercise any of the rights and options available to Sublessor under the Prime Lease as all the same are retained by Sublessor and may be exercised or waived in Sublessor’s sole and absolute discretion.

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(c) *No knowledge of default.* Sublessor warrants and represents that Sublessor has received no notice of any default by Sublessor or any breach by Sublessor of any of its obligations under the Prime Lease; and

(d) *Modification.* Sublessor agrees to refrain from entering into any amendment to or modification of the Prime Lease that would conflict with or materially limit the rights granted to Sublessee by this Sublease. A copy of any amendment to or modification of the Prime Lease between Sublessor and Landlord shall be promptly furnished to Sublessee.

5. Subordination. This Sublease shall be automatically subject and subordinate to the Prime Lease, any ground lease and to any mortgage or deed of trust thereon or on the fee simple interest in the Subleased Premises. This Section 5 shall be self-operative and no further instrument of subordination shall be required, it being understood that neither Landlord nor Sublessor shall be obligated to provide Sublessee with any non-disturbance agreement. To confirm such subordination, Sublessee shall execute within 5 business days after demand, or such shorter period as may be required under the Prime Lease, any reasonable certificate, agreement or instrument that Landlord requests Sublessee to execute pursuant to the terms of the Prime Lease.

6. Holdover. Sublessee shall not holdover or remain in occupancy beyond the expiration or termination of this Sublease or the Prime Lease. If Sublessee remains in occupancy beyond the expiration or termination of this Sublease or the Prime Lease, such holdover shall be deemed a tenancy at sufferance by Sublessee upon the same conditions as are provided for in this Sublease (except Sublessee shall be required to stop using Sublessor's trademarks and to de-identify the Subleased Premises as required under the Franchise Agreement and applicable law) but with the Rent for the period of such holding over being 200% of the Rent last paid by Sublessee during the Sublease Term, as liquidated damages and not as a penalty, such amount being considered by both Sublessor and Sublessee to be a reasonable pre-estimate of Sublessor's probable monetary losses under this Sublease, which are difficult or impossible to calculate at the time of the execution of this Sublease. Such amounts shall be calculated on a per diem basis. Sublessor's acceptance of any Rent or liquidated damages after holding over begins shall not be deemed a renewal of this Sublease nor be deemed to create a new tenancy of any kind. Neither this provision nor the acceptance of any liquidated damages hereunder shall waive Sublessor's rights of re-entry or any other rights or remedies under this Sublease or the Franchise Agreement (including, but not limited to, injunctive or other equitable relief). Sublessee's obligations under this Section shall survive the expiration or other termination of this Lease. In addition, Sublessee shall pay Sublessor for all damages (including, but not limited to, consequential damages) sustained by reason of Sublessee's retention of possession of the Subleased Premises after the end of the Sublease Term.

7. Condition of Subleased Premises. Upon commencement of the Sublease Term, Sublessee accepts the Subleased Premises and any leasehold improvements thereto in their then existing condition, on an "AS IS" basis. After the commencement of the Sublease Term, Sublessor shall not be required to make for the benefit of Sublessee any improvements to or repairs of any kind or character in or to the Subleased Premises or the Landlord's building. To the extent Landlord has obligations to Sublessor pursuant to the Prime Lease regarding repair, maintenance, or condition of the Subleased Premises or Landlord's building. Sublessor agrees to use reasonable diligence to cause Landlord to perform the same for the benefit of Sublessee, when applicable.

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8. Use of Subleased Premises. Sublessee agrees to use the Subleased Premises only for the purposes permitted by the Prime Lease and the Franchise Agreement and for no other purposes, all in accordance with applicable law. Sublessee shall keep the Subleased Premises in a clean and wholesome condition, and shall repair, maintain and conduct the business of the Restaurant on the Subleased Premises in strict compliance with this Sublease and the Franchise Agreement, the Prime Lease and Sublessor's then-current standards, as modified from time to time. Sublessee shall not make any change in, alteration of, or addition to any part of the Subleased Premises, or remove any fixtures or improvements, including without limitation the Equipment (as defined below) and any leasehold improvements, without the prior written consent of Sublessor. Any alterations, improvements or installations consented to by Sublessor shall be made at the sole cost and expense of Sublessee.

9. Repairs and Maintenance. Any repair and maintenance obligations with respect to the Subleased Premises which are the responsibility of the Sublessor, as tenant under the Prime Lease, shall be performed by Sublessee at Sublessee's sole cost and expense. Sublessee agrees that it will notify Sublessor promptly of the need for any repair to the Subleased Premises, even if Sublessor is not responsible for any such repair. Sublessee shall complete any repairs or maintenance required under this Section 9 by the deadline provided under the Prime Lease, if any, and Sublessee shall indemnify and hold Sublessor harmless for any failure by Sublessee to timely complete required repairs or maintenance. Notwithstanding anything contained herein to the contrary, in the event that a condition exists in the Subleased Premises that Landlord is obligated to repair under the terms of the Prime Lease, Sublessee shall so advise Sublessor, and Sublessor, in turn, shall promptly advise Landlord thereof. Sublessor shall have no liability to Sublessee for Landlord's failure to make any such repair.

10. Renovations. If at any time Sublessor determines in the exercise of its sole discretion that the Subleased Premises should be remodeled, refurbished, rebuilt or relocated, Sublessor, its agents and designees shall have the right to reenter the Subleased Premises and to remodel, refurbish, rebuild or relocate the Restaurant or the Subleased Premises, in accordance with Sublessor's then-current policies and procedures for the remodeling, refurbishing, rebuilding and relocating of sites, including without limitation making such site selection and design, structural, remodeling, redecoration and other modifications and changes to the Subleased Premises, leasehold improvements, Equipment, design and décor, trade dress, color scheme and other things as Sublessor deems necessary or appropriate. Notwithstanding anything to the contrary contained herein, Sublessee shall permit and cooperate with Sublessor and its agents and designees to coordinate and complete, any such remodeling, refurbishment, rebuilding or relocating of the Subleased Premises.

11. Equipment. Pursuant to the terms and conditions of this Sublease and the Equipment Lease Addendum attached hereto as **Exhibit 2**, which is incorporated herein by this reference, Sublessor has delivered, or will deliver to the Premises, the Equipment and other property described in the Equipment Lease Addendum.

12. Indemnification and Waiver.

(a) *Indemnification.* If Sublessor, or a subsequent subtenant of the Restaurant on the Subleased Premises is subjected to any claim, demand or penalty, or becomes a party to any suit or other judicial or administrative proceeding by reason of (i) any claimed act or omission by Sublessee

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or Sublessee's agents, contractors, employees, or affiliates, (ii) any claimed violation of any Requirements of Law (as defined below) by Sublessee or Sublessee's agents, contractors, employees, or affiliates, (iii) any damages allegedly resulting from a breach by Sublessee of this Sublease or the Franchise Agreement, (iv) any damages allegedly resulting from a willful misrepresentation to Sublessor by Sublessee or Sublessee's agents, contractors, employees, or affiliates, or (v) any act occurring on the Subleased Premises during the Sublease Term, then Sublessee shall indemnify and hold harmless Sublessor and any subsequent subtenant of the Restaurant or a like business against all judgments, settlements, penalties, expenses, attorneys' fees, court costs and other costs of litigation, or administrative proceedings incurred by or imposed on Sublessor or any subsequent subtenant of the Restaurant or a like business. At the election of Sublessor or any subsequent subtenant of the Restaurant or a like business, Sublessee shall also defend Sublessor or such subsequent subtenant in any action or suit in which a party claims or seeks damages or other award of the type listed above, subject to the right of Sublessor or such subsequent subtenant to approve counsel selected by Sublessee and the resolution of any such litigation. "Requirements of Law" means all laws, statutes, ordinances, rules, orders and regulations of federal, state, county and municipal authorities in effect from time to time, including without limitation, ordinances of any municipality in which the Premises is situated; zoning and building code restrictions; safety laws and regulations, such as the Americans with Disabilities Act; wage and employment laws; fire, health, safety and environmental laws; and all directions of all public officers applicable to the Subleased Premises, the Restaurant, or Sublessor.

(b) *Waiver.* Sublessee waives the service of any notice of intention to re-enter or to institute legal proceedings to that end which otherwise might be required to be given under any present or future law. Sublessee shall not have, and hereby expressly waives, any and all rights that are or may be conferred upon Sublessee by any present or future law to redeem the Sublease or the Subleased Premises, or to re-enter the Restaurant or the Subleased Premises, or to restore the operation of the Sublease, after (i) re-entry by Sublessor or Landlord, (ii) any warrant to dispossess or judgment in ejection, or (iii) any expiration or termination of this Sublease and the Sublease Term, whether such dispossession, re-entry, expiration or termination of this Sublease and the Sublease Term is by operation of law or pursuant to the provisions of this Sublease. If Sublessor or Landlord shall acquire possession without judicial proceedings, it shall be deemed a re-entry within the meaning of that word as used in this Sublease and not a technical or legal definition. In the event that Sublessor or Landlord elects to recover possession by invoking judicial process, Sublessee acknowledges that the Premises is to be used for commercial purposes, and Sublessee expressly waives and relinquishes any and all protections and rights afforded a commercial tenant under Indiana law or any law of like import now or hereinafter in effect or applicable, if any.

13. No Warranty. WHEN SUBLESSEE BEGINS CONDUCTING ITS BUSINESS IN OR FROM THE SUBLEASED PREMISES, IT SHALL BE DEEMED TO HAVE ACCEPTED THE SUBLEASED PREMISES WITHOUT ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING ITS CONDITION, SUITABILITY, HABITABILITY, FITNESS FOR PURPOSE OR ITS COMPLIANCE WITH ANY LAWS, REGULATIONS OR ORDINANCES, INCLUDING, WITHOUT LIMITATION, THE AMERICANS WITH DISABILITIES ACT OF 1991, AS AMENDED.

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14. Assignment or Sublease. Sublessee shall not assign, mortgage, pledge, hypothecate, or otherwise encumber this Sublease, or any interest herein or any right or privilege appurtenant thereto, without the express prior written consent of Sublessor. Sublessee may not sublet all or any portion of the Subleased Premises without the prior written consent of Sublessor. Sublessee shall not be relieved of any of its obligations hereunder by reason of any sublease of all or part of the Subleased Premises. Any assignment or sublease made in violation of this Section shall be void.

15. Sublessor's Acts. It is specifically agreed that Sublessee shall not be responsible for the discharge and performance of the duties and obligations required to be performed or discharged by Sublessor in connection with the Prime Lease prior to the commencement of the Sublease Term.

16. Default and Termination.

(a) *Default.* If Sublessee fails to pay any Rent within 5 days after the same is due or fails to pay any other sum payable under this Sublease or the Prime Lease when due, or fails to perform or observe any other covenant, term, provision, or condition of this Sublease, the Prime Lease, the Franchise Agreement, or any other agreement with Sublessor or its affiliates, which failure continues for 10 calendar days after written notice from Sublessor to Sublessee describing such failure, (each, an "Event of Default") Sublessee shall be in default under this Sublease. Sublessor shall be entitled to all the rights and remedies available to Landlord under the Prime Lease following an event of default by Sublessor thereunder and to any other rights and remedies available to a landlord under applicable law. Upon any default by Sublessee under this Sublease and the expiration of any and all applicable notice and cure periods, Sublessor, without being under any obligation to do so and without thereby waiving such default, may make such payment or remedy such other default for the account of Sublessee, and thereupon Sublessee agrees to and shall pay to Sublessor, immediately upon demand, all reasonable costs, expenses, and disbursements incurred by Sublessor in taking such remedial action, together with interest on such amount at the rate specified in Section 3 above.

(b) *Termination.* If there shall be an Event of Default as set forth in Section 16(a) above, Sublessor, in the exercise of its sole discretion, shall have the right, upon its election, to terminate this Sublease immediately and to declare the Sublease Term ended upon giving notice thereof, without any further obligation or liability to Sublessee. If this Sublease is terminated under this Section 16(b) or otherwise terminates or expires, then the Franchise Agreement shall also immediately and automatically terminate or expire effective as of the effective date of termination or expiration of this Sublease, and Sublessor shall have the right to re-enter upon and take possession of the Subleased Premises without further formality and without the necessity of any court action, dispossessory proceeding, or further notice or legal proceedings whatsoever. It is also expressly acknowledged and agreed by Sublessor and Sublessee that the termination, expiration, or revocation of the Franchise Agreement by either party for any reason, either in whole or in part, shall also terminate this Sublease effective immediately, without further notice being required.

17. Quiet Enjoyment. Sublessee shall peacefully have, hold, and enjoy the Subleased Premises, subject to the terms and conditions of this Sublease and the Prime Lease, provided that Sublessee timely and fully performs all of its covenants, duties, and obligations under this Sublease.

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18. Insurance.

(a) *Required Minimum Insurance Coverage.* Sublessee acknowledges the insurance requirements set forth in Section 9.2 of the Franchise Agreement and covenants and agrees to maintain in full force and effect during the entire Sublease Term, at Sublessee's own expense, insurance on the Subleased Premises and for the operation of the Restaurant as set forth and otherwise required pursuant to Section 9.2 of the Franchise Agreement. Sublessee shall also be responsible for providing, at its sole cost and expense, any additional insurance coverages that may be required under the Prime Lease. Sublessor may from time to time, in its sole discretion, offer or require different or modified insurance programs, coverages or terms and, upon notice of such changed programs, coverages, terms or other requirements, Sublessee agrees to maintain in full force and effect during the remaining Sublease Term, at Sublessee's own expense, such insurance on the Subleased Premises and the operation of the Restaurant as set forth and otherwise then required pursuant to Section 9.2 of the Franchise Agreement.

(b) *Placement by Sublessor.* If Sublessee fails to obtain the required insurance, Sublessor may at its option, but is not obligated to, purchase such insurance, and may add the premiums paid to the Rent. Additionally, Sublessee may authorize Sublessor from time to time to purchase and administer the required minimum insurance on Sublessee's behalf. In any event, by placing any required minimum insurance, Sublessor assumes no responsibility for premium expenses nor guarantees payment for any losses sustained by Sublessee.

(c) *Limited Waiver of Covered Claims.* Sublessor and Sublessee each hereby agree and hereby waive any and all rights of recovery against each other for loss or damage occurring to the Subleased Premises or any of Sublessor's or Sublessee's property located at the Subleased Premises regardless of the cause of such loss or damage to the extent that the loss or damage is covered by the injured party's insurance or the insurance the injured party is required to carry under this Sublease, whichever is greater (without regard to any deductible provision in any policy). This waiver does not apply to claims caused by a party's willful misconduct. This waiver also applies to each party's directors, officers, employees, shareholders, members, affiliates, and agents.

19. Waiver of Subrogation Rights. Anything contained in this Sublease to the contrary notwithstanding, and to the extent not prohibited by applicable law, Sublessor and Sublessee each waive for themselves and their respective insurers any and all rights of recovery, claims, actions, or causes of action against the other, its agents, officers, and employees, for any loss or damage that may occur to the Subleased Premises, or any improvements thereto, or any personal property, by reason of fire, the elements, or any other cause which could be insured against under the terms of a fire and extended coverage insurance policy regardless of cause or origin, including, without limitation, negligence of either Sublessor or Sublessee or their respective agents, shareholders, affiliates, officers, employees, or contractors, and covenant that no insurer shall hold any right of subrogation against either Sublessor or Sublessee. This waiver does not apply to claims caused by a party's willful misconduct.

20. Governing Law. This Sublease shall be governed by and construed in accordance with the internal laws of Indiana without regard to the conflicts of laws principles thereof. To the extent they may lawfully do so, Sublessor and Sublessee agree that venue for any litigation between them related to this Sublease shall be in courts (federal or state) sitting in Indiana.

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21. Notices. Whenever under this Sublease a provision is made for notice of any kind, such notice shall be in writing, and it shall be deemed sufficient notice and service thereof if such notice is sent by registered or certified mail, postage prepaid (effective three (3) business days after deposit in the mail), or reputable overnight delivery service (effective the business day following deposit with such courier), if to the following, or such other address as the parties may provide from time to time:

Sublessee:

[

_____]

Sublessor: Attn: Legal Department
107 S. Pennsylvania Street, Suite 400
Indianapolis, IN 46204
Phone: 317/633-4100

22. Successors and Assigns. This Sublease shall be binding upon and shall inure to the benefit of Sublessor, Sublessee and their respective successors and assigns, subject to the limitations set forth in Section 14 above.

23. Personal Property Taxes. Sublessee shall be responsible for all taxes, license, and other fees or charges imposed on the Equipment, and other property of Sublessee on or in the Subleased Premises and the business conducted by Sublessee on or from the Subleased Premises. Sublessor will prepare returns and submit payments for all taxes, license, and other fees or charges imposed on the Equipment, and other property of Sublessee on or in the Subleased Premises and the business conducted by Sublessee on or from the Subleased Premises. Any amounts paid by Sublessor pursuant to this Section 23 will be charged to Sublessee and repaid to Sublessor out of Sublessee's monthly Gross Receipts as part of the Restaurant's Operating Costs and Expenses.

24. Sublessor's Access. Sublessor shall have the right, at all reasonable times during the Sublease Term, after reasonable notice to Sublessee, not to be less than 48 hours unless Sublessee is in default under this Sublease (in which event no notice is required), to enter the Subleased Premises to inspect the condition thereof, to determine if Sublessee is performing its obligations under this Sublease, and to cure any defaults of Sublessee hereunder that Sublessor elects to cure. No such entry by Sublessor will constitute an assumption of any of Sublessee's obligations thereunder.

25. Utilities. Sublessee shall transfer utilities to Sublessee's name on or before the Commencement Date and be solely responsible for all utilities consumed at the Subleased Premises, including, but not limited to, electricity, gas, telephone, water, sewer and trash pickup and disposal. Sublessor shall not be responsible for bringing utilities to Subleased Premises, and Sublessee agrees to pay necessary utility connection charges. Sublessor shall not be responsible for any interruption in utility services.

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26. Condemnation. If the entire Subleased Premises is condemned under eminent domain, or acquired in lieu of condemnation, this Sublease shall terminate automatically without any further obligation or liability of Sublessor to Sublessee upon the earlier of the date when possession of the Subleased Premises is required by the condemning authority, or such other earlier date as Sublessor may specify in written notice to Sublessee. All charges, draws, rentals, refundable deposits, and all other costs and expenses by and between Sublessor and Sublessee as a result of the Restaurant's operations up to such termination date will be credited, deducted and, where applicable, disbursed as otherwise set forth in this Sublease and the Franchise Agreement. Sublessee acknowledges and agrees that Sublessee shall have no right to make a claim for the value of all or any part of Sublessee's interest in the Subleased Premises pursuant to this Sublease or the Restaurant by reason of any condemnation. Sublessee specifically waives and releases any claims for the value of all or any part of the Restaurant, Subleased Premises, Equipment and other improvements on the Subleased Premises whether or not installed or paid for by Sublessor or by Sublessee. If only a part of the Premises is condemned or acquired in lieu of condemnation and Sublessor determines, in the exercise of its sole discretion, that the operation of the Restaurant or the Subleased Premises is no longer economically feasible or desirable, Sublessor may at any time elect to terminate this Sublease by written notice to Sublessee subject to the same terms and conditions set forth above. If Sublessor does not elect to terminate this Sublease upon a partial condemnation or acquisition in lieu of condemnation, subject to Sublessor's receipt of condemnation proceeds in an amount sufficient to cover the cost of such repairs and alterations, Sublessor shall with reasonable promptness make necessary repairs to and alterations of the improvements on the Subleased Premises to restore it to a condition that will permit the continued operation of the Restaurant. In the event of a condemnation award pursuant to [] of the Prime Lease, Sublessee shall have no right to receive any proceeds that Sublessor is entitled to receive as Tenant pursuant to the Prime Lease.

27. Damage to Premises, Personal Injury, and Casualty.

(a) *Damage to Premises; Personal Injury.* Any damage to or loss of the Subleased Premises, the Equipment, any leasehold improvements, any other fixtures on or improvements to the Subleased Premises, or any personal property of any person or entity, as well as any and all liability of Sublessee or Sublessor for personal injury or otherwise, caused by or resulting from any act or omission of Sublessee, Sublessee's employees, agents, affiliates, contractors, invitees, or customers, shall be allocated pursuant to and governed by the terms and conditions of this Sublease and the Franchise Agreement.

(b) *Casualty.* If the Subleased Premises is damaged by fire or any other casualty, Sublessor shall, within a reasonable time from the date of the damage or destruction, repair or replace the Premises; provided, however, that Sublessor shall have the right to terminate this Sublease (and, in turn, the Franchise Agreement to which this Sublease is attached and a part of) by providing Sublessee notice in writing of such termination, and thereupon the Sublease Term shall expire, effective the date of the casualty, and Sublessee shall vacate the Subleased Premises and surrender the same to Sublessor within 10 days after receipt of such notice. Sublessor also shall have the right, in its sole discretion, to limit its rebuild or restoration of the Premises hereunder to the extent of the net insurance proceeds recovered by Sublessor. Sublessee hereby expressly waives and releases any and all claims against Sublessor for damages in case of Sublessor's failure to rebuild or restore in accordance with the provisions of this Section. Sublessee's sole remedy for any such failure shall be

FORM OF AGREEMENT

to elect to terminate the Franchise Agreement (which will effect a simultaneous termination of this Sublease) as of the date of occurrence of the damage or destruction. If the building and other improvements are not repaired, restored, or replaced, for any reason, all proceeds of any all-risk coverage or other like insurance applicable to the building and other permanent improvements shall be due and payable to Sublessor. Sublessee agrees to execute and deliver any release or other document Sublessor may request for Sublessor to obtain the release or control of the proceeds.

28. Brokers. Sublessor and Sublessee represent to each other that neither Sublessor (in the case of Sublessor's representation) nor Sublessee (in the case of Sublessee's representation) has dealt with nor does it have any knowledge of any broker or other person who has or may have any claim against Sublessor or Sublessee for a brokerage commission, finder's fee or like payment arising out of or in connection with this transaction. Sublessor agrees to indemnify and hold Sublessee harmless from any other such claim arising by, through or under Sublessor and Sublessee agrees to indemnify and hold Sublessor harmless from any other such claim arising by, through or under Sublessee, which indemnity obligations of both parties shall include, without limitation, the cost of counsel's fee in connection with defending any such claim.

29. Character of Lease. It is the intention of the parties that the rent payable hereunder shall be net to Sublessor, so that this Sublease shall yield to Sublessor the net annual rent specified herein during the term of this Sublease, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises (other than Sublessor's, income taxes, and fees and expenses of counsel or accountants engaged by Sublessor in this transaction) shall be paid by Sublessee.

30. No Waiver. The failure of Sublessor to insist upon a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that Sublessor may have and shall not be deemed a waiver of any subsequent breach or default in any of such agreements, terms, covenants and conditions.

31. Estoppel Certificate. Either party shall, without charge, at any time and from time to time hereafter, within ten days after the written request of the other party, certify by a written instrument duly executed and acknowledged to any mortgagee, purchaser, assignee, sublessee, or any other person, firm or corporation reasonably specified by the requesting party, as to the validity and force and effect of this Sublease, in accordance with its tenor, as then constituted, as to the existence of any default on the part of any party thereunder, as to the existence of any offsets, counterclaims or defenses thereto on the part of either party, and as to any other matters that may be reasonably requested by the requesting party.

32. Entire Agreement. This Sublease and the Franchise Agreement to which it is attached constitute a complete and integrated agreement between Sublessor and Sublessee concerning the subject matter of the Restaurant and this Sublease and supersede all prior agreements between the parties. No other representations or statements of any kind have induced Sublessee to sign this Sublease except that Sublessee may rely on Sublessor's representations in the most recent Franchise Disclosure Document that Sublessor delivered to Sublessee, including its exhibits and any amendments or supplements, in connection with Sublessee's entry into this Sublease (the "FDD"). No representations, promises or agreements, oral or otherwise, not appearing in or attached to this

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Sublessee or in the FDD were made by either party and none shall have any effect with reference to this Sublease. No officer, employee, or other servant or agent of Sublessor is authorized to make any representation, warranty, or other promise not contained in this Sublease or the FDD. No change, termination, or attempted waiver or cancellation of any provision of this Sublease shall bind Sublessor unless in writing and signed by Sublessor.

33. Attorney's Fees. A defaulting party shall pay any and all costs and expenses, including reasonable attorney's fees, incurred by the other party enforcing any covenant, term or condition of this Sublease or collecting any sums due hereunder.

34. Continuous Occupancy Requirement. Sublessee acknowledges and agrees to continuously operate the Subleased Premises. In the event of Sublessee's failure to comply with this Section 34, Sublessor shall have option, but not the obligation, to immediately assume possession of the Subleased Premises, and Sublessor shall have all rights and remedies afforded under this Sublease and the Prime Lease, including but not limited to the right to use the Equipment and Sublessee's other furnishings, equipment and personal property.

35. Security Interest. Sublessee acknowledges and affirms that, under the Franchise Agreement, Sublessee has granted Sublessor a security interest ("**Security Interest**") in all of the Equipment and other furniture, fixtures, equipment, signage, and realty (including Sublessee's leasehold interests in the Subleased Premises and personal property leases) of the Restaurant, together with all similar property now owned or leased or hereafter acquired additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant.

36. Franchise Agreement. Sublessee acknowledges and agrees that its possessory rights under this Sublease are derivative of the Sublessee's status as a Franchisee under the Franchise Agreement, and that such possessory rights will terminate automatically upon the expiration or termination of the Franchise Agreement. Sublessee shall comply with and perform all of the terms, conditions and covenants of the Franchise Agreement. A breach of any of the terms, conditions or covenants of the Franchise Agreement by Sublessee shall constitute a breach of this Sublease. The Franchise Agreement and this related Sublease, and the franchise that is the subject thereof, were offered and granted by Sublessor to the individual Sublessee personally who is the original signatory to the Franchise Agreement, were offered and granted in reliance on such individual's personal qualifications, experience, aptitude and the other qualifications and selection criteria as evaluated by Sublessor. Except as expressly provided under the Franchise Agreement and this related Sublease, neither this Sublease nor Sublessee's estate or interest herein may be accepted by any other person, heir, successor, partnership, corporation, limited liability company or other entity, or transferred by assignment, will or operation of law. Sublessee shall not, without the express written consent and approval of Sublessor, permit or facilitate in any way occupancy of the Subleased Premises by any person or entity other than Sublessee. The transfer (or transfers in the aggregate) of an interest in the Franchise Agreement or Sublessee (if Sublessee is an entity) shall be deemed an attempted assignment of this Sublease and is strictly prohibited hereunder. Sublessor has the right to assign this Sublease to any person or entity in its sole discretion, and the benefits and obligations of Sublessor hereunder shall inure to and be binding upon any such assigns. The covenants and obligations of Sublessee hereunder shall extend to and be binding upon the administrators, executors, heirs, and

FORM OF AGREEMENT

assigns and successors of Sublessee, provided, however, that any such purported assignee shall not receive the benefits of this Sublease unless Sublessor has consented in writing to such purported assignment, which consent Sublessor may withhold for any reason whatsoever in its sole discretion under this Sublease and pursuant to the terms and conditions of the Franchise Agreement. Capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to them in the Franchise Agreement.

37. Consents, Approvals, and Sublessor's Business Judgment. Except as otherwise expressly stated in this Sublease, any consent or approval required to be obtained from Sublessor may be granted by Sublessor in its sole discretion, which may take into account and consideration Sublessor's assessment of, among other things, the long term interests of the Sublessor's Marks, the Premises, and the System overall. Sublessee and Sublessor recognize and agree, and any court or judge is affirmatively advised, that if Sublessor's activities or decisions are supported by its business judgment, neither said court, said judge nor any other person reviewing those activities or decisions should or may substitute his, her or its judgment for Sublessor's judgment. In any instance in which Sublessor has expressly agreed herein or is found to be required by law not to act unreasonably or to act in any particular manner notwithstanding the express terms and conditions of this Sublease or the Franchise Agreement, Sublessee hereby agrees that Sublessor will not have acted unreasonably in withholding or denying its approval or consent if, without limitation, Sublessee is not in strict adherence with all of, or otherwise is in default or breach of any of, the terms and conditions of this Sublease or the related Franchise Agreement. Sublessee hereby waives any claim for damages against or liability of Sublessor that Sublessee may have based upon any assertion that Sublessor has unreasonably withheld, unreasonably conditioned or unreasonably delayed any consent or approval requested by Sublessee, and Sublessee's sole remedy shall be an action or proceeding to enforce any related provision or for specific performance, injunction or declaratory judgment and Sublessor shall have no liability whatsoever to Sublessee for its refusal or failure to give such consent or approval. Sublessee's sole remedy for Sublessor being deemed to have unreasonably withheld, conditioned or delayed consent or approval in such event shall be as provided in this Section.

FORM OF AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Sublease on the date set forth next to their respective signatures to be effective as of the Effective Date.

SUBLESSOR:

Date: _____

By: _____

Its: _____

SUBLESSEE:

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

EXHIBIT 1
PRIME LEASE

{See following page}

EXHIBIT 2

EQUIPMENT LEASE ADDENDUM

1. Sublessor rents to Sublessee, and Sublessee rents from Sublessor, during the Sublease Term, upon the terms and conditions set forth herein, the equipment, fixtures, furnishing, and décor listed on **Schedule 1** attached hereto (the “Equipment”) and made a part hereof (together with any replacements thereof and additions or accessions thereto). Sublessee agrees that Sublessor shall have the right, in its sole discretion, to substitute comparable Equipment for that which is listed on Schedule 1. Sublessee shall keep and maintain the Equipment only at the Subleased Premises, unless otherwise approved in writing by Sublessor, may use the Equipment only in connection with Sublessee’s operation of the Restaurant at the Subleased Premises, shall service and repair the Equipment in order to maintain the Equipment’s appearance and good working condition, and shall not make any changes, alterations or additions thereto without the prior written consent of Sublessor, all in accordance with Sublessor’s then- current standards and other policies and procedures as may be amended by Sublessor from time to time. In servicing and repairing the Equipment, Sublessee shall solely use suppliers and vendors that demonstrate the ability to meet Sublessor’s then-current standards for such items and that possess adequate quality controls, experience and capacity to service and repair the Equipment and otherwise supply Sublessee’s needs promptly, accurately and reliably. In the exercise of Sublessor’s sole discretion, Sublessor may deliver used Equipment to the Subleased Premises or leave Equipment at the Subleased Premises which had been used at the Premises prior to the date hereof.

2. Commencing on the Commencement Date, Sublessee shall pay to Sublessor, a monthly rental for the Equipment equal to two thousand Dollars (\$2,000) (the “Equipment Rental Fee”). The Equipment Rental Fee shall be payable in advance to Sublessor on the first day of each calendar month throughout the Sublease Term via ACH transfer. Sublessee agrees to pay the Equipment Rental Fee to Sublessor without demand, counterclaim, or set-off. All Equipment Rental Fee amounts which Sublessee owes to Sublessor 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. Sublessee acknowledges that this Section 2 shall not constitute Sublessor’s agreement to accept such payments after the same are due.

3. Commencing on the Commencement Date, Sublessee shall timely pay directly to the appropriate business, governmental entity or other person or entity any and all costs and expenses of operating and maintaining the Equipment for the Restaurant during the Sublease Term, including without limitation the following:

- (i) all charges, costs and expenses necessary to maintain the Equipment in good condition, ordinary wear and tear excepted; and
- (ii) all charges and costs of all ordinary repairs to the Equipment.

4. Sublessor will prepare returns and submit payments for all taxes, levies and charges assessed against the Equipment or against Sublessee or Sublessor in respect of the Equipment. Any amounts paid by Sublessor pursuant to this Section 4 will be charged to Sublessee and repaid to Sublessor out of Sublessee’s monthly Gross Receipts as part of the Restaurant’s Operating Costs and Expenses.

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5. If, in the sole discretion of Sublessor, any Equipment becomes worn out due to normal wear and tear and such Equipment cannot reasonably be repaired, then Sublessor will replace such Equipment at its own expense. Sublessee is responsible for and must replace at Sublessee's own expense any and all equipment or other items not listed on Schedule 1 but used in the operation of the Restaurant, as and to the extent such equipment and other items become worn out.

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**SCHEDULE 1 TO EXHIBIT 2
LIST OF EQUIPMENT**

FORM OF AGREEMENT

**APPENDIX C TO FRANCHISE PARTNER FRANCHISE AGREEMENT
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 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.

"Franchisee"

By: _____
Printed Name: _____
Its: _____

**APPENDIX D TO FRANCHISE PARTNER FRANCHISE AGREEMENT
CONFIDENTIALITY AND WAIVER AGREEMENT**

For execution by Restaurant Managers and Employees with Access to Confidential Information

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

FORM OF AGREEMENT

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 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 pursuant to a certain Franchise Partner Franchise Agreement with Franchisor, which agreement requires Franchisee to protect certain confidential information pertaining to Franchisee’s operation of the Steak n Shake By Biglari Restaurant.

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 Franchisor and its affiliates to securities law violations.

WHEREAS, Recipient is [check as appropriate]:

- ___ a Restaurant manager
- ___ a Restaurant employee

and Recipient’s employment in the Restaurant (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 in the Restaurant, 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

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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 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 Franchisee whose responsibilities in the management and/or operation of the restaurant require access to such Confidential Information; attorneys, accountants, lenders, and insurers of Franchisee or Principal 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.

FORM OF AGREEMENT

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 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:

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- 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

FORM OF AGREEMENT

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 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 16.5 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

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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. Vice President, Franchise Operations
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

Recipient: Address or email address set forth below Recipient's signature hereto.

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FORM OF AGREEMENT

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)

EXHIBIT C-1

FORMER EMPLOYEE AMENDMENT TO FRANCHISE AGREEMENT

**FORMER EMPLOYEE AMENDMENT TO
FRANCHISE PARTNER FRANCHISE AGREEMENT**

THIS FORMER EMPLOYEE AMENDMENT TO FRANCHISE PARTNER FRANCHISE AGREEMENT (this “**Amendment**”) is made and entered into as of [_____] (the “**Effective Date**”) by and between **Steak n Shake Enterprises, Inc.**, an Indiana corporation (“**Franchisor**”), and [_____] (“**Franchisee**”).

WHEREAS, Franchisor and Franchisee are parties to a Franchise Partner Franchise Agreement dated as of the Effective Date (the “**Franchise Agreement**”), pursuant to which Franchisor granted to Franchisee the right to operate a Steak n Shake By Biglari Restaurant located at the Authorized Location (the “**Restaurant**”);

WHEREAS, Franchise Partner has been an employee of Franchisor or one of its Affiliates for at least six full months immediately preceding the Effective Date; and

WHEREAS, Franchisor and Franchisee desire to amend the Franchise Agreement upon the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the premises and the undertakings and commitments of each party to the other party set forth herein, the parties agree as follows:

1. AMENDMENT TO SECTION 6.1(A) FRANCHISE AGREEMENT. Section 6.1(A) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

“(A) Upon Franchisee’s execution of this Agreement, Franchisee shall owe to Franchisor a non-refundable initial franchise fee of Ten Thousand Dollars (\$10,000) (“**Franchise Fee**”). The Franchise Fee will be payable in pro rata installments over the First Contract year or within fifteen (15) calendar days following the termination of the Franchise Agreement, whichever occurs first. “First Contract Year” means the period beginning on the Effective Date and ending twelve (12) months thereafter.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment 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: _____

EXHIBIT C-2

**NEW FRANCHISEE INCENTIVE PROGRAM AMENDMENT TO FRANCHISE
AGREEMENT**

NEW FRANCHISEE INCENTIVE
PROGRAM AMENDMENT
TO FRANCHISE PARTNER FRANCHISE AGREEMENT

This New Franchisee Incentive Program Amendment to Franchise Partner Franchise Agreement (“**Amendment**”) is made and entered into by and between **Steak n Shake Enterprises, Inc.** (“**Franchisor**”) and _____ (“**Franchisee**”) contemporaneously with the execution of the Franchise Agreement (described below) this ____ day of _____ (“**Effective Date**”).

RECITALS:

Franchisee has completed Franchisor’s initial training program for Franchise Partners.

During the in-restaurant execution portion of the initial training program, Franchisee achieved the metrics of restaurant performance required by Franchisor (including, without limitation, increased same store sales, reduced customer complaints, and low or reduced employee turnover (“**Gold Standard**”)).

Franchisee and Franchisor are entering into a Steak n Shake Franchise Partner Franchise Agreement dated as of the Effective Date (including, if applicable, the Former Employee Amendment to Franchise Partner Franchise Agreement, the “**Franchise Agreement**”) for the Steak n Shake Restaurant at the location described in the Franchise Agreement.

Franchisee is therefore qualified, and wishes, to participate in the New Franchisee Incentive Program described in the Steak n Shake Franchise Disclosure Document for the Franchise Partner Program dated _____ (the “**FDD**”).

This Amendment amends the Franchise Agreement to reflect the terms of the New Franchisee Incentive Program.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are acknowledged, agree as follows:

AGREEMENT

1. **ADJUSTMENT TO CONTRACT AMOUNT**. Notwithstanding anything in Section 6.1 of the Franchise Agreement to the contrary and provided that Franchisee remains in Good Standing at all times during and as of the end of the First Contract Year, then the total return that Franchisee receives for the First Contract Year shall be an amount equal to the greater of (a) the Minimum Profit for the First Contract Year plus the Additional Profit for such First Contract Year calculated and retained by Franchisee on a monthly basis as set forth in Section 6.1 of the Franchise Agreement (the “**Contract Amount**”) or (b) _____ (\$_____) (the “**Guaranteed Amount**”).

Within fifteen (15) calendar days following the end of the First Contract Year, Franchisor shall complete a reconciliation process to determine the Contract Amount. If the Contract Amount is less than the Guaranteed Amount, Franchisor shall pay to Franchisee, upon completion of the reconciliation process, an amount equal to the difference between the Contract Amount and the Guaranteed Amount. For clarity, the obligation of Franchisor set forth herein is conditioned on the continued Good Standing of Franchisee. If Franchisee fails to remain in Good Standing, Franchisor may terminate the benefits described herein.

2. **DEFINITIONS.**

A. “First Contract Year” means the period beginning on the Effective Date and ending twelve (12) months thereafter.

B. “Good Standing” means that (i) Franchisee has maintained the Gold Standard throughout the First Contract Year, (ii) Franchisor has not terminated the Franchise Agreement for cause or as a result of the death or permanent disability of Franchisee or the Franchise Partner, and (iii) Franchisee has not terminated the Franchise Agreement without cause.

3. **TERM.** This Amendment will expire by its terms on the twelfth (12th) monthly anniversary of the Effective Date and following Franchisee’s receipt of any payment due under Paragraph 1 hereof.

4. **MISCELLANEOUS.** This Amendment (a) is governed by, and interpreted and construed in accordance with, the laws of the State of Indiana (without regard to its conflicts of law principles), (b) is not assignable, in whole or in part, by Franchisee to any other person or entity without the consent of Franchisor, (c) shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns, and (d) may be executed in counterparts, all of which taken together shall constitute one document.

5. **EFFECT ON FRANCHISE AGREEMENT.** On and after the Effective Date, each reference in the Franchise Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Franchise Agreement, and each reference in any documents relating to the Franchise Agreement to “the Agreement,” “thereunder,” “thereof” or words of like import referring to the Franchise Agreement, shall mean and be a reference to the Franchise Agreement as amended by this Amendment. The Franchise Agreement and any documents relating to the Franchise Agreement, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Items capitalized but not defined herein shall have the same meaning as set forth in the Franchise Agreement.

FRANCHISOR:

STEAK N SHAKE ENTERPRISES, INC.,
an Indiana corporation

By:
Printed Name: _____
Title: _____

FRANCHISEE:

_____, a resident of the state of _____

By:
Printed Name: _____

EXHIBIT D

**ASSIGNMENT AND ASSUMPTION AGREEMENT
WITH PERSONAL GUARANTY**

**ASSIGNMENT AND ASSUMPTION AGREEMENT
AND AMENDMENT TO STEAK N SHAKE FRANCHISE DOCUMENTS**

This Assignment and Assumption Agreement and Amendment to Steak n Shake Franchise Documents (this “**Agreement**”) is entered into by and between Steak n Shake Enterprises, Inc., an Indiana corporation (“**Franchisor**”); Steak n Shake Inc., an Indiana corporation (“**Landlord**”); Steak n Shake, LLC, an Indiana limited liability company (“**Licensor**”); [name of Franchise Partner], an adult individual (“**Franchise Partner**”); and [name of assignee entity], a [state] [type of entity] (“**Assignee**”). This Agreement will be effective upon execution by Franchisor (the “**Effective Date**”).

RECITALS

A. Franchise Partner is a party to that certain Steak n Shake Enterprises, Inc. Franchise Partner Franchise Agreement with Franchisor, that certain License Agreement with Licensor, and that certain Lease [or Sublease] with Landlord, each dated effective [] (collectively and including all amendments and attachments thereto, the “**Franchise Documents**”).

B. Under the Franchise Agreement, Franchise Partner was granted the right and undertook the obligation to operate a Steak ‘n Shake Restaurant located at [address of restaurant] (“**Restaurant**”), in accordance with the terms and conditions of the Franchise Agreement.

C. Under the License Agreement, Franchise Partner was granted the right and undertook the obligation to use Licensor’s Marks (as defined in License Agreement) in connection with its operation of the Restaurant under the Franchise Agreement and in accordance with the terms and conditions of the License Agreement.

D. Under the Lease, Franchise Partner was granted the right and undertook the obligation to rent the Restaurant premises and the furniture, fixtures and equipment used in the operation of the Restaurant, in accordance with the terms and conditions of the Lease.

E. Franchise Partner now desires to transfer, convey, and assign to Assignee, and Assignee wishes to assume, Franchise Partner’s rights in and obligations under the Franchise Documents (“**Assignment**”), pursuant to the terms and conditions of each Franchise Document and as provided for in this Agreement.

F. Franchise Partner and Assignee acknowledge that the Assignment is subject to Franchisor’s consent and hereby request that Franchisor consent to the Assignment.

G. Franchisor is willing to consent to such Assignment, pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

AGREEMENT

1. Definitions. Initially capitalized terms used, but not defined, in this Agreement have the meanings given to them in the Franchise Agreement, License Agreement and Lease [or Sublease], as applicable. Franchisor, Landlord and Licensor may be referred to collectively in this Agreement as the “**Steak n Shake Parties**”.

2. Assignment and Assumption. As of the Effective Date of this Agreement, Franchise Partner hereby assigns and transfers to Assignee all of Franchise Partner’s right, title, and interest in and to, and Assignee hereby assumes and agrees to be bound by and observe and faithfully perform all of Franchise Partner’s obligations, agreements, commitments, duties, and liabilities under, each of the Franchise Documents with the same force and effect as if each of the Franchise Documents had been originally written with Assignee as the original Franchisee, Licensee, and Tenant [or Sublessee], as the case may be.

3. Representations of Franchise Partner. Franchise Partner and Assignee make the following representations and warranties to the Steak n Shake Parties:

A. Franchise Partner is not in breach of any of its obligations under the Franchise Agreement, the Lease [or Sublease] (including the Equipment Lease), or any other agreement (including the License Agreement) between Franchise Partner (as Franchise Partner or as Assignee) and Franchisor or its Affiliates relating to the Restaurant;

B. Assignee (i) is a newly formed entity in good standing, (ii) is not authorized to conduct any business other than the operation of the Restaurant, and (iii) does not use any of the Marks or any derogatory or non-professional terms as part of its legal name. At Franchisor's request, Assignee will deliver to Franchisor evidence of its good standing;

C. Franchise Partner owns one hundred percent (100%) of the legal and beneficial ownership interests in Assignee (including, all of the equity and voting power), is the sole director or sole member/manager and principal executive officer, as applicable, of Assignee;

D. Following the Assignment, Franchise Partner will continue to devote his or her full time best efforts to the operation of the Restaurant as its Franchise Partner;

E. The organizational documents of Assignee and any stock certificate, certificate of membership interest or comparable instrument recites that the issuance and transfer of any interest in Assignee is restricted and prohibited by the terms of the Franchise Agreement and that Assignee's activities will be confined exclusively to operation of the Restaurant;

F. True, complete and correct copies of all organizational and other governing documents of Assignee have been furnished to Franchisor (together with copies of the Resolutions of the Board of Directors authorizing Assignee's entry into this Agreement);

G. Assignee makes all representations, covenants and agreements applicable to Assignees that are Legal Entities under the Franchise Documents; and

H. Franchise Partner shall pay or reimburse all costs and expenses (including attorney's fees and costs) incurred by the Steak n Shake Parties in connection with the Assignment.

4. Personal Guaranty. Upon execution of this Agreement, Franchise Partner will execute the "Franchise Partner's Personal Guaranty and Personal Covenants" attached hereto, which is fully incorporated into the applicable Franchise Documents.

5. Conforming Amendments. All references to "[name of Franchise Partner]" as Franchisee, Licensee, and Tenant [or Sublessee] in the respective Franchise Documents are hereby replaced with "[name of assignee entity]".

6. Binding and Benefits. This Agreement is binding upon and will inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Amendment.

7. Governing Law. This Amendment is governed by and construed in accordance with the laws of the State of Indiana, without regard to its conflict of laws principles.

8. Enforceability. In the event any one or more of the provisions contained in this Agreement is, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision thereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

9. Severability. The invalidity or unenforceability of any provision of this Agreement, or any portion thereof, will not affect the validity or enforceability of any other provision of this Agreement, or any portion thereof.

10. Ratification of Franchise Documents. All other terms of each of the Franchise Documents are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

FRANCHISOR:

Steak n Shake Enterprises, Inc.

By: _____

Date: _____

ASSIGNEE:

[Assignee Entity]

By: _____

Date: _____

LICENSOR:

Steak n Shake, LLC

By: _____

Date: _____

FRANCHISE PARTNER:

Date: _____

LANDLORD:

Steak n Shake Inc.

By: _____

Date: _____

FRANCHISE PARTNER'S PERSONAL GUARANTY AND PERSONAL COVENANTS

This Franchise Partner's Personal Guaranty and Personal Covenants ("**Guaranty and Covenant**") is being executed pursuant to that certain Assignment and Assumption Agreement and Amendment to Steak n Shake Franchise Documents of even date herewith (the "**Assignment and Assumption Agreement**") in conjunction with Franchise Partner's assignment of its rights in and obligations under the Franchise Agreement, License Agreement and Lease [or Sublease] identified in the Assignment and Assumption Agreement to [name of assignee entity], a [state] [type of entity] ("**Assignee**"). This Guaranty and Covenant is made 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**") by the undersigned individual ("**Franchise Partner**"). Any capitalized terms used in this Guaranty and Covenant and not otherwise defined herein shall have the meanings given to them in the Franchise Documents (as defined below).

A. WHEREAS, in consideration of, and as an inducement to, the assignment of that certain Steak n Shake Enterprises, Inc. Franchise Partner Franchise Agreement ("**Franchise Agreement**"), that certain Steak n Shake, LLC License Agreement ("**License Agreement**") and that certain Steak n Shake Inc. Lease [or Sublease] ("**Lease**") identified in the Assignment and Assumption Agreement (collectively, the "**Franchise Documents**"), the undersigned hereby agrees to personally and unconditionally guarantee the obligations of Franchisee, Licensee and Tenant [or Sublessee] under the Franchise Documents and to comply with certain obligations and covenants (including, without limitation, the non-compete covenants) set forth therein.

B. WHEREAS, in consideration of certain training provided to Franchise Partner by SNS, Franchise Partner agrees to the waiver and indemnity provisions as more specifically set forth herein.

C. WHEREAS, Franchise Partner acknowledges that the success of the Steak n Shake By Biglari brand depends on maintaining the goodwill associated with the Marks and protecting the confidential and proprietary business information related to the operation of all Steak n Shake By Biglari Restaurants and further acknowledges that SNS is owned by a publicly traded company and is 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, Franchise Partner may gain access to parts of SNS's Confidential Information (as defined in Section 1 below) as a result of its ownership in Assignee ("**Business Purpose**").

E. WHEREAS, Franchise Partner acknowledges and agrees that it has received good and valuable consideration for executing this Guaranty and Covenant and that SNS may enforce this Guaranty and Covenant directly against Franchise Partner.

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 Franchise Partner acknowledges are sufficient to create a legally binding agreement, Franchise Partner agrees 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 Franchise Partner 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 Guaranty and Covenant by Franchise Partner, or of the Franchise Documents by Assignee, or their 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, Assignee, or any Steak n Shake By Biglari franchisee (**“Financial Information”**).
- c. **Manner of Disclosure.** SNS may disclose Confidential Information to Franchise Partner 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 Franchise Partner during the Term of the Franchise Agreement, or Franchise Partner may acquire the Confidential Information from Assignee or from other franchisees. The disclosure and/or receipt of such Confidential Information regardless of whether such information is disclosed to Franchise Partner under a confidentiality notice is expressly conditioned upon Franchise Partner’s consent to these restrictions.
- d. **Franchise Partner’s Obligations.** Franchise Partner agrees that he/she 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. Franchise Partner acknowledges and agrees that the Confidential Information is proprietary to SNS and is a trade secret of SNS and is disclosed to Franchise Partner solely for use by Franchise Partner in the development and operation of the Restaurant during the Term of the Franchise Agreement and on the condition that Franchise Partner:
 - 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 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 employees of Assignee and/or Franchise Partner whose responsibilities in the management and/or operation of the Restaurant require access to such Confidential Information; attorneys, accountants, lenders, and insurers of Assignee or Franchise Partner on a need to know basis; and with respect to Financial Information, Assignee's prospective purchasers (provided they agree in writing to the confidentiality provisions set forth herein for the benefit of Assignee and Franchisor) (collectively, the foregoing are referred to as "**Authorized Recipients**"); (b) restricting access to Confidential Information to prevent the theft, unauthorized duplication, and/or discovery of such Confidential Information.
- e. **Confidentiality Regarding Restaurant.** Franchise Partner shall not issue any press releases or make any statements to the general public regarding the Restaurant, except as required to obtain government permits and third party approvals or with the prior written approval of an officer of SNS.
- f. **Permissible Disclosures.**
 - i. Notwithstanding the foregoing, Franchise Partner 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 Franchise Partner or Authorized Recipient first provides 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, Franchise Partner and/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, Franchise Partner 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 Franchise Partner'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. **Franchise Partner's Obligations.** Franchise Partner shall not, without 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 Assignee, 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 Franchise Partner and/or Assignee first provides SNS with a reasonable opportunity to review the statement before it is made and to interpose its own objection to the statement, and if requested by SNS, Franchise Partner and/or Assignee 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 Franchise Partner’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 Franchise Partner directly or indirectly owns an interest in Assignee, Franchise Partner 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 a manager, operator, supervisory 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 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) (other than the Restaurant).
 4. **Post-Term Restrictions on Competing Business Interests.** For a period of one (1) year starting on the earlier to occur of the non-renewal date, or termination date of the Franchise Agreement, Franchise Partner 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 a manager, operator, supervisory employee, officer, agent or consultant.
 5. **Intentionally Omitted..** -.
 6. **Enforceability.** Franchise Partner 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, Franchise Partner agrees that it will be enforced to the fullest extent permissible under applicable law and public policy.
 7. **Guaranty.** Franchise Partner hereby unconditionally guarantees the prompt payment when due, or whenever payment may become due under the terms of the Franchise Documents, of all payments of License fees, Marketing Fees, Administrative Services Fees, Rent, Equipment Rental, System Fee, Additional System Fee 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 Franchise Documents, any agreements or documents related to the Franchise Documents, or any other transaction between SNS and Assignee related to the Franchise Documents, and the complete and timely performance, satisfaction and observance of the terms, covenants and conditions of the Franchise Documents,

and related obligations arising by reason of the Franchise Documents, required to be performed, satisfied or observed by Assignee for the term set forth below.

8. **Coverage.** This Guaranty and Covenant extends to any and all liability which Assignee has or may have to SNS by reason of matters occurring during the Term of the Franchise Documents, including any extensions or renewals thereof, and after the expiration of the Term of the Franchise Documents. If Franchise Partner ceases to have an ownership interest in Assignee prior to expiration or termination of the Franchise Documents, then Franchise Partner's obligations under this Guaranty and Covenant shall continue to remain in force and effect unless SNS in its sole discretion, in writing, releases Franchise Partner from this Guaranty and Covenant.
 - a. **Performance Guaranty.** In the event that Assignee fails to perform, satisfy, or observe the terms and conditions of the Franchise Documents and related obligations required to be performed, satisfied, or observed by Assignee, Franchise Partner shall promptly and fully perform, satisfy, and observe the obligation or obligations in the place of Assignee. Franchise Partner 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 Assignee to perform, satisfy, or observe any of the terms and conditions of the Franchise Documents and related obligations.
 - b. **Waiver of Notices.** Without notice to or further assent from Franchise Partner, SNS may waive or modify any of the terms or conditions of the Franchise Documents or related obligations of Assignee; or compromise, settle, or extend the time of payment of any amount due from Assignee or the time of performance of any obligation of Assignee. These actions may be taken by SNS without discharging or otherwise affecting the obligations of Franchise Partner.
 - c. **Unconditional Obligations.** The liability of Franchise Partner is direct, immediate, absolute, continuing, unconditional, and unlimited. SNS shall not be required to pursue any remedies it may have against Assignee or against any collateral as a condition to enforcement of this Guaranty and Covenant, nor shall Franchise Partner be discharged or released by reason of the discharge or release of Assignee for any reason, including a discharge in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Franchise Documents 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 Assignee or any remedy of SNS. Franchise Partner assumes all responsibility for keeping itself informed of Assignee's financial condition and assets, and of all other circumstances bearing upon the risk of nonperformance by Assignee under the Franchise Documents. Franchise Partner agrees that SNS shall have no duty to advise Franchise Partner of information known to it regarding such circumstances or risks. Franchise Partner agrees that monies received from any source by SNS for application toward payment of the obligations under the Franchise Documents and under this Guaranty and Covenant may be applied in any manner or order deemed appropriate by SNS.
9. **Miscellaneous.**
 - a. **Term.** This Guaranty and Covenant shall terminate upon the termination or expiration of the Franchise Documents, 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 Franchise Documents shall remain in force according to their terms. Upon the death of Franchise Partner, the estate of Franchise Partner shall be bound by this Guaranty and Covenant as to any defaults and obligations hereunder existing at the time of Franchise

Partner's death.

- b. **Individual Covenants.** Franchise Partner hereby 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 Franchise Partner agrees that he or she shall be personally liable to SNS for any breach of the foregoing provisions.
- c. **Waiver of Certain Defenses and Waiver of Trial by Jury.** Franchise Partner hereby waives (i) any law or statute that requires SNS to make demand upon, assert claims against, or collect from Assignee or any others, foreclose any security interest, sell collateral, exhaust any remedies, or take any other action against Assignee or any others prior to making any demand upon, collecting from, or taking any action against Franchise Partner with respect to this Guaranty and Covenant; (ii) any and all other notices and legal or equitable defenses to which Franchise Partner may be entitled; and (iii) any and all right to have any legal action under this Guaranty and Covenant decided by a jury.
- d. **Binding Effect.** This Guaranty and Covenant is binding upon Franchise Partner and his or her successors and permitted assigns, and is binding upon and shall inure to the benefit of SNS and its successors and permitted assigns. No assignment or delegation by Franchise Partner shall release such guarantor of his or her obligations under this Guaranty and Covenant.
- e. **Modifications.** This Guaranty and Covenant may not be modified orally, but only by a writing signed by Franchise Partner and SNS; provided, however, SNS may unilaterally modify, terminate, or discharge this Guaranty and Covenant without Franchise Partner's consent. Modifications include any waiver, change, discharge, modification, or termination.
- f. **Governing Law.** The terms used in this Guaranty and Covenant shall have the same meaning as in the Franchise Documents and shall be interpreted and construed in accordance with Section 16.5 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). Franchise Partner 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. Franchise Partner further acknowledges the receipt and sufficiency of mutual consideration for such benefit.
- g. **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, Franchise Partner agrees that Franchisor may enforce this Agreement in the courts of the state in which Assignee's Restaurant is located.
- h. **Remedies.** Because SNS may suffer irreparable harm in the event of a breach of this Guaranty and Covenant, Franchise Partner 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.

- i. **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 Franchise Partner's breach of this Guaranty and Covenant.
- 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 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.
- k. **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 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.

SNS notice address:

Steak n Shake Enterprises, Inc.
Attn. Vice President, Franchise Operations
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.evans@steaknshake.com

Franchise Partner: Mailing address and/or email address set forth in Appendix A of the Franchise Agreement.

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GUARANTY AND COVENANT SIGNATURE PAGE

IN WITNESS WHEREOF, Franchise Partner has duly signed this Guaranty and Covenant on the date stated below.

Assignee Name: [Click here to enter text.](#)

Restaurant Location: [Click here to enter text.](#)

FRANCHISE PARTNER:

By: _____ **Dated:** _____, 20____

Printed: [Click here to enter text.](#)

EXHIBIT E
LICENSE 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**”) contemporaneously with the execution of the Franchise Agreement described below. The effective date of this License Agreement (the “**Effective Date**”) shall correspond to the effective date of the Franchise Agreement.

Recitals

1. The Licensee and Steak n Shake Enterprises, Inc. (“**Franchisor**”) have simultaneously entered into a Franchise Partner 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 Franchise Agreement) from the operation of the Restaurant. The License Fee shall be due and payable each week (each, an “**Accounting Period**”), on or before the Friday following the end of each Accounting Period (the “**Payment Date**”), in accordance with the process for collection and payment described in Section 6.1 of the Franchise Agreement or another payment frequency which may be determined by Licensor from time to time, but not more frequently than weekly. The first Accounting Period shall begin on the Effective Date and end on

the following Sunday. If any Payment Date is not a Business Day, then payment shall be due on the next Business Day. A "Business Day" means any day other than Saturday, Sunday or any national holiday generally observed by U.S. banks.

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.

Licensee acknowledges and agrees that Licensor and its affiliates have the right to establish other franchised or company-owned restaurants using the Marks at any location other than the Authorized Location, both within and outside the geographic and customer trading pattern areas surrounding the Authorized Location of the Restaurant and that Licensor and its affiliates reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing both within and outside the geographic and customer trading pattern areas surrounding the Authorized Location of the Restaurant. Licensee further acknowledges and agrees that such sales and customer trading patterns are subject to change by reason of many factors, including the ongoing development of Steak 'n Shake Restaurants, and Licensee should not expect that these patterns will never change.

(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 Licensor 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 Licensee any opportunity to cure the default effective immediately upon receipt of written notice by Licensee without the need for 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:

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.

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.

Section 2.3 Termination Upon Termination of Franchise Agreement. This Agreement shall terminate immediately, without notice, upon termination of the Franchise Agreement by either party.

Section 2.4 Effect of Any Termination, Cancellation or Expiration of this License Agreement.

a) Upon any termination, cancellation, or expiration of this License Agreement, Licensee 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 notwithstanding the provisions of this Section 2.5.

ARTICLE 3. Assignment

Section 3.1 Assignment by the Licensor. The Licensor may assign its interests under this License Agreement without notice to or consent by Licensee and, if so, shall be binding upon and inure to the benefit of Licensor's successors and assigns.

Section 3.2 Assignment by the Licensee. Licensee shall not assign this License Agreement or any interest herein unless such assignment is made in connection with an assignment of the Franchise Agreement in accordance with the terms thereof. Except as set forth in this Section 3.2, neither this License Agreement nor any interest in any Licensee that is a Legal Entity (as defined in the Franchise Agreement) may be sold, transferred, assigned, gifted, conveyed, pledged or encumbered by Licensee, by operation of law or otherwise, and any attempt to do so will constitute a material breach of this License Agreement.

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 (including the documents and agreements attached thereto or referred to therein) 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. 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.evans@steaknshake.com

Licensee:

Franchise Partner's mailing address and email address set forth in Appendix A 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 Licensors 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 Licensors further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the above, Licensee agrees that Licensors may enforce this License Agreement in the courts of the state in which Licensee's Restaurant is located. The Licensors reserve 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 Licensors' 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 Licensors and Licensee may not be consolidated with another proceeding between Licensors 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 Licensors 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 Licensors 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 Licensors 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 Licensors 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.

Section 5.1 Insurance and Indemnification.

a) In addition to any insurance required under the Franchise Agreement (including any Lease or Sublease attached to the Franchise Agreement), 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.

“Licensor”

Steak n Shake, LLC

an Indiana limited liability company

By: _____

Name: Click here to enter text.

Title: Click here to enter text.

By: _____

Printed:

Title:

EXHIBIT F
ADMINISTRATIVE SERVICES AGREEMENT

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (“**Agreement**”) is effective as of _____ (the “**Effective Date**”) by and between _____ an Indiana _____ (“**Service Recipient**”) and STEAK N SHAKE ENTERPRISES, INC., an Indiana corporation (“**Service Provider**”).

Recitals

WHEREAS, Service Recipient and Service Provider have simultaneously entered into a Franchise Partner Franchise Agreement (the “**Franchise Agreement**”) of even date. Terms not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Franchise Agreement.

WHEREAS, Service Provider has agreed to provide certain administrative services to Service Recipient on the terms and conditions set forth herein.

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 parties hereby agree as follows:

Article 1. ADMINISTRATIVE SERVICES

Section 1.1 **Services.** Subject to the terms and conditions of this Agreement, Service Recipient hereby engages Service Provider as set forth below, on a non-exclusive basis, to provide the administrative services set forth on Exhibit A (the “**Administrative Services**”) and Service Provider hereby accepts such engagement.

Section 1.2 **Service Provider Personnel.** Service Provider shall provide the personnel required and appropriate to render the Administrative Services in accordance with the provisions of this Agreement. All personnel provided by Service Provider pursuant to this Agreement shall be Service Provider’s employees, contractors or agents, and in no event shall such personnel be deemed employees or agents of Service Recipient. Service Provider may provide Services using Service Provider’s permanent employees, contract employees or vendor employees as Service Provider shall deem appropriate for the work being performed. Other than the performance of the Administrative Services described herein, Service Provider's personnel shall not perform any services for Service Recipient. Nothing herein shall alter Service Provider's sole ability and discretion to control the work, terms and conditions, and/or employment of the Service Provider's personnel.

Section 1.3 **Method of Performing Services.** Service Provider has and will at all times retain the exclusive right to control and direct the method, details, and means of performing the Administrative Services. During the term of this Agreement, Service Provider agrees to perform the Administrative Services on a professional best-efforts basis, in accordance with all applicable laws and regulations and in accordance with the highest applicable industry standards. Service Recipient shall not control or direct, nor shall Service Recipient have any right to control or direct, the result of or the details, methods, manner or means by which Service Provider performs the

Administrative Services, except that Service Provider shall coordinate the Administrative Services with the Service Recipient and shall provide the Administrative Services in accordance with generally accepted industry standards and in compliance with all applicable laws and regulations.

Article 2. SERVICE RECIPIENT'S RESPONSIBILITIES

Section 2.1 **Decisions of Service Recipient.** Service Recipient will be responsible for: (a) providing information to Service Provider in order for Service Provider to perform the Administrative Services; and (b) making all final decisions with respect to the operation of the Restaurant.

Section 2.2 **Service Recipient Personnel.** Service Recipient's personnel and employees shall not perform any work or services for Service Provider, and in no event shall Service Recipient's personnel and employees be deemed employees of Service Provider. Nothing herein shall alter Service Recipient's sole ability and discretion to control the work, terms and conditions, and/or employment of the Service Recipient's personnel.

Article 3. SERVICE FEES AND PAYMENT

Section 3.1 **Fees.** Service Recipient shall pay a monthly fee for the Administrative Services in an amount equal to Three Hundred Dollars (\$300) (the "**Administrative Services Fee**"). Service Provider shall have the right to modify the monthly fee in an amount determined by Service Provider from time-to-time.

Article 4. TERM

Section 4.1 **Term.** This Agreement shall be for a period ("Term") concurrent with the Franchise Agreement and any renewal thereof.

Article 5. TERMINATION

Section 5.1 **Termination for Convenience.** Either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party hereto.

Section 5.2 **Termination for Cause.** During the term of the Agreement, if either party breaches any material obligation hereunder and such breach is not cured within ten (10) days after its occurrence, the non-breaching party to the Agreement may immediately terminate this Agreement.

Section 5.3 **No Waiver of Other Rights or Remedies.** The exercise by either party of any right of termination under this Article 5 shall not constitute a waiver of any other rights or remedies available to such party for violation of the terms of this Agreement under this Agreement or under applicable law.

Article 6. INDEMNIFICATION

Section 6.1 **Indemnification by Service Recipient.** Service Recipient agrees to indemnify, defend, and hold harmless Service Provider from all claims, demands, actions, lawsuits, proceedings, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees), by reason of, or arising from any actual or alleged (i) acts or omissions of Service Recipient (including its officers, directors, employees, subcontractors or agents), (ii) performance or non-performance of Service Recipient's obligations and responsibilities under this Agreement and (iii)

violation of any law, rule, regulation or authority by Service Recipient (including its officers, directors, employees, or agents).

Article 7. RECORDS RETENTION

Section 7.1 **General.** During the Term of this Agreement and for not less than five (5) years thereafter, Service Recipient and Service Provider shall retain adequate books and records of all transactions arising under this Agreement, maintained in accordance with generally accepted standards of recordkeeping. Under this Agreement, Service Provider shall not maintain, keep, or otherwise retain any records other than those required to perform the Administrative Services.

Article 8. MISCELLANEOUS

Section 8.1 **Relationship of the Parties.** Service Recipient and Service Provider agree that Service Recipient and Service Provider are independent contractors. Nothing herein shall be construed to place Service Recipient and Service Provider in an employer-employee relationship or a relationship of partners or joint venturers and this Agreement does not make either Service Recipient or Service Provider the agent or legal representative of the other for any purpose whatsoever. Service Recipient and Service Provider further agree that no representation shall be made by either party that would create an apparent agency, employment, partnership or joint venture. Neither Service Recipient nor Service Provider shall have the power, expressed or implied, to obligate or bind the other in any manner whatsoever. Under this Agreement, each party shall act independently of each other and shall be disassociated with respect to the work, terms and conditions, and employment of each party's respective personnel and employees, and each party may disregard all work performed by the other party's personnel and employees in determining its own legal and other responsibilities.

Section 8.2 **Transfer of Rights.** This Agreement may not be assigned (including by operation of law) by any party without the prior written consent of the other party, and any purported assignment, unless so consented to, shall be void and without effect.

Section 8.3 **Amendments; Waiver.** Except as otherwise provided herein, this Agreement may not be modified or altered except by written instrument duly executed by all parties. This Agreement may be amended, superseded, canceled, renewed or extended only by a written instrument signed by the parties hereto. The provisions hereof may only be waived in writing by the parties hereto. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. Except as otherwise provided herein, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 8.4 **Survival,** Article 6, and Article 7 shall survive the termination of this Agreement for any reason.

Section 8.5 **Notices.** Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally by hand or by recognized overnight courier, or mailed (by registered or certified mail, postage prepaid) as follows:

If to Service Recipient, then to:
Services Recipient's mailing address
and email address set forth in Appendix A
of the Franchise Agreement

Attn: Franchise Partner

If to Service Provider, then to:
Steak n Shake Enterprises, Inc.
107 South Pennsylvania Street
Indianapolis, Indiana 46204

Attn: Legal Department

Section 8.6 **Headings.** Article and Section headings are for reference purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 8.7 **Severability.** If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term, provision, covenant or restriction is invalid, void or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.8 **Multiple Counterparts.** The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other parties. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission in portable document format (PDF) or .tiff format that includes a copy of the sending party's signature(s) is as effective as signing and delivering the counterpart in person.

Section 8.9 **Governing Law.** This Agreement and performance hereunder will be construed in accordance with the laws of the State of Indiana, without regard to the principles of conflict of laws.

Section 8.10 **Entire Agreement.** This Agreement, including all attached Exhibits, is the complete and exclusive statement of agreement between the parties and supersedes all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter of this Agreement.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Administrative Services Agreement as of the date first above written.

“Service Recipient”

By: _____

Name: _____

Title: _____

“Service Provider”

STEAK N SHAKE ENTERPRISES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

Administrative Services

A. PAYROLL/BENEFIT SERVICES. SERVICE PROVIDER, ACTING BY ITSELF OR BY OVERSEEING THIRD PARTY VENDORS, SHALL PROVIDE THE PAYROLL AND BENEFIT SERVICES IN ACCORDANCE WITH THE INFORMATION PROVIDED BY SERVICE RECIPIENT, INCLUDING THE ADMINISTRATION, PROCESSING AND PAYMENT OF PAYROLL TAXES.

Notwithstanding the foregoing, the Franchise Partner shall not be permitted to pay or compensate himself or herself a draw, salary or compensation against the Additional Profit or Minimum Profit. The Additional Profit and Minimum Profit shall be paid no earlier than three (3) days nor later than fifteen (15) days after the end of the month in which such Additional Profit or Minimum Profit is earned by the Franchise Partner.

B. Accounting and Financial Management Services. Service Provider, acting by itself or by overseeing third party vendors, shall provide the accounting and financial management services in accordance with the information provided by Service Recipient. On behalf of Service Recipient, Service Provider shall establish and maintain effective internal controls, accounting systems and policies with regard to all Service Recipient transactions, including but not limited to the process, administration and payment of amounts pursuant to Article 6 of the Franchise Agreement. As appropriate, and when requested by Service Recipient, representatives of Service Provider shall assist and coordinate with Service Recipient's external auditors

C. Sales and Property Tax Services. Service Provider, acting by itself or by overseeing third party vendors, shall provide the tax services in accordance with the information provided by Service Recipient for purposes of administering and paying sales, use and property taxes. Service Provider SHALL NOT provide any services related to the administration, determination or payment of the income taxes of Service Recipient.

D. Data Processing and Information Management Services. Service Provider, acting by itself or by overseeing third party vendors, shall provide the data processing services and information management services in accordance with the information provided by Service Recipient. Service Provider shall maintain all software licenses and equipment required in order to carry out the Data Processing Services

E. Sales Audit and Restaurant Cash Management Services. Service Provider, acting by itself or by overseeing third party vendors, shall provide the sales audit and restaurant cash management services in accordance with the information provided by Service Recipient.

EXHIBIT F-1
PROMISSORY NOTE

PROMISSORY NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, the undersigned, _____, a resident of the state of _____ (“Maker”), promises to pay to the order of Steak n Shake Inc. (“Lender”), at such place or to such other party as Lender may from time to time designate to Maker in writing, on or before the date set forth in Section 1.02 below (the “Maturity Date”), and without relief from valuation or appraisal laws, the principal sum of _____ and 00/100ths Dollars (\$ _____), or so much thereof as may be outstanding from time to time (the “Loan Amount”), together with per annum interest on the outstanding principal balance existing from time to time from the date hereof as hereinafter provided.

To request a revolving borrowing up to the Loan Amount, Maker shall deliver, by electronic transmission, a duly completed and executed borrowing request to Lender one business day before the date of the proposed borrowing. No borrowing request shall be made after _____. Each borrowing request shall be irrevocable and shall specify the following information:

- (a) the aggregate principal amount of such borrowing; provided that any such borrowing request shall not exceed _____ and 00/100ths Dollars (\$ _____ .00), in any one month during the period prior to the Maturity Date;
- (b) the date of such borrowing, which shall be a business day; and
- (c) the location and number of Maker’s account to which funds are to be disbursed.

ARTICLE I

TERMS OF THE NOTE

Section 1.01. Interest. The sums advanced under this Note shall bear per annum interest on the outstanding Loan Amount as follows: (a) so long as there is no existing Event of Default (as defined below) hereunder, at _____ percent (____ %), (the “Non-Default Rate”); and (b) while there exists an Event of Default, equal to the applicable Non-Default Rate, plus eight percent (8.0%) (such rate existing from time to time under this clause (b) referred to as the “Default Rate”). In no event shall the rate of interest charged hereunder exceed the maximum rate permitted by law. Interest shall be calculated on the basis of a 360-day year, counting the actual number of days elapsed. Interest will begin to accrue on advances for the day advanced.

Section 1.02. Maturity. This Note shall mature on: (a) the first anniversary of the effective date of the franchisee agreement entered into between Maker and Steak n Shake Enterprises, Inc.; (b) the termination of Maker, for any reason, as a candidate in the initial training program to become a Steak n Shake franchisee; or (c) Maker’s termination from the Franchise Partner Program, whichever event occurs first.

Section 1.03. Regular Payments. [In accordance with the attached repayment schedule or upon the earlier of the Maturity Date or Maker's termination from the Franchise Partner Program], the entire outstanding Loan Amount plus all accrued but unpaid interest shall be due and payable. Each regular payment hereunder shall be applied to the payment of accrued interest with the balance applied to principal.

Section 1.04. Late Charge. In the event any installment hereunder is not received by Lender within ten (10) days of the due date of such installment (whether or not such delinquency constitutes an Event of Default) and the same is subsequently accepted by Lender, Maker shall immediately pay to Lender a late charge in the amount of the greater of: (i) five percent (5.0%) of such delinquent installment or (ii) Twenty-Five Dollars (\$25.00).

Section 1.05. Prepayments. Maker may prepay this Note, in whole only, without premium or penalty at any time.

ARTICLE II

EVENT OF DEFAULT AND ENFORCEMENT COSTS

Section 2.01. Events of Default. Each of the following constitutes an Event of Default:

- (a) The failure of Maker to pay when due (whether by lapse of time, by declaration or otherwise) any principal, interest or any other sum under this Note.
- (b) The termination of the Initial Training Agreement dated as of _____ by and between Steak n Shake Enterprises, Inc. ("SNS") and Maker for any reason.
- (c) Upon completion of the Initial Training Program and the Maker satisfying the qualification and requirements for selection as a franchisee, as determined by SNS, the failure of Maker to perform or observe any agreement, condition or covenant contained in any of the Franchise Documents as defined in that certain Assignment and Assumption Agreement and Amendment to Steak n Shake Franchise Documents by and between SNS, Lender, Steak n Shake, LLC and Maker or his wholly owned entity, if such failure will continue for a period of fifteen (15) days after written notice of such failure.
- (d) Maker (i) is adjudicated a bankrupt or insolvent, or admits in writing his inability to pay his debts as they mature, or makes any assignment for the benefit of creditors; (ii) Maker institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, readjustment of debt, or similar proceeding relating to Maker under the laws of any jurisdiction; or (iii) any such proceeding is instituted (by petition, application or otherwise) against Maker or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against a substantial part of the property of Maker, and such judgment, writ, or similar process is not released, vacated or fully bonded within thirty (30) days after its issue or levy.

Section 2.02. Lender's Remedies. Upon the occurrence of any Event of Default, or at any time thereafter, Lender may exercise any or all of the following rights and remedies:

- (a) Declare the entire unpaid principal amount of the Note then outstanding and all other amounts payable under the Franchise Documents to be forthwith due and payable, whereupon such Note and all other amounts due hereunder or thereunder will be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker.
- (b) Without notice to Maker and without further action, apply any and all money owing by Maker to Lender to the payment of the Note and of all other sums then owing by Maker hereunder.
- (c) Exercise and enforce any or all of its rights and remedies under applicable law or in equity.

Section 2.03. Waiver of Counterclaims. Maker waives all rights of setoff and rights to impose counterclaims in the event of any litigation with respect to any matter connected with the Franchise Documents.

Section 2.04. Enforcement Costs. Maker agrees to pay immediately upon demand all reasonable costs and expenses of Lender, including reasonable attorneys' fees, litigation preparation costs and expenses, paraprofessional fees, secretarial overtime, depositions, electronic research, postage, travel, communications and related costs and expenses, (i) if, after an Event of Default, this Note be placed in the hands of an attorney or attorneys for collection, (ii) if Lender finds it necessary or desirable upon an Event of Default to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or for protection of its rights under this Note, or (iii) if Lender seeks to have the collateral, or any part thereof, abandoned by any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note, and any subsequent proceedings or appeals from any order or judgment entered in any such proceeding.

Section 2.05. Confidentiality. Maker agrees not to disclose the terms, conditions or existence of this Note and to take all necessary precautions to prevent the terms or conditions of this Note from being disclosed to anyone. The failure to comply with this Section 2.05 shall be deemed an Event of Default.

ARTICLE III

ACCELERATION

Section 3.01. Acceleration. Upon the occurrence of an Event of Default Lender may, at its sole option, declare the entire Loan Amount outstanding hereunder, together with all accrued interest thereon, to be immediately due and payable without notice, and said indebtedness may be collected. No delay on the part of Lender in exercising said option shall operate as a waiver or preclude exercise of such option during the existence of such Event of Default or upon the occasion of later Event of Default.

ARTICLE IV

WAIVERS

Section 4.01. Waivers. Lender, at its option, may make extensions of the time for the payment of the indebtedness, or reduce the payments thereon, release any collateral securing such indebtedness, or accept a renewal note or notes therefor, all without notice, and Maker and endorsers hereby consent to any such extensions, reductions or renewals, all without notice, and agree that any such action shall not release them from any liability hereunder. Maker and endorsers jointly and severally waive presentment for payment, notice of dishonor, notice of nonpayment of this Note, and diligence in the collection thereof as conditions of liability under this instrument.

ARTICLE V

NOTICES

Section 5.01. Notices. Notices hereunder shall be given as follows.

Maker:

Address:

Lender:

Address:

Steak n Shake Inc.
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204

[Signature page follows]

“Lender”

By: _____

Printed: _____

“Maker”

By: _____

Printed: _____

EXHIBIT G
CONSOLIDATED 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

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 <i>53 Weeks</i>	2024 <i>52 Weeks</i>	2023 <i>52 Weeks</i>
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
	<u>251,849</u>	<u>220,747</u>	<u>213,786</u>
Earnings before income taxes.....	18,153	20,099	26,170
Income tax expense.....	5,521	5,829	5,715
Net earnings.....	<u>\$ 12,632</u>	<u>\$ 14,270</u>	<u>\$ 20,455</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in thousands)

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

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 <i>53 Weeks</i>	2024 <i>52 Weeks</i>	2023 <i>52 Weeks</i>
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 <i>53 Weeks</i>	2024 <i>52 Weeks</i>	2023 <i>52 Weeks</i>
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.

STEAK N SHAKE INC.
(A Biglari Holdings Inc. Subsidiary)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
*(Fifty-Three Weeks Ended December 31, 2025 and the Fifty-Two Weeks Ended December 25, 2024,
and December 27, 2023)*
(dollars in thousands)

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.

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

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 <i>53 Weeks</i>	2024 <i>52 Weeks</i>	2023 <i>52 Weeks</i>
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
	<u>\$ 270,002</u>	<u>\$ 240,846</u>	<u>\$ 239,956</u>

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.....	<u>\$ 6,883</u>	<u>\$ 4,935</u>

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.....	<u>\$ 247,178</u>	<u>\$ 245,749</u>

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)
	<u>\$ 14,789</u>
Change in foreign exchange rates during 2024.....	(34)
Goodwill at December 25, 2024.....	<u>\$ 14,755</u>
Change in foreign exchange rates during 2025.....	72
Goodwill at December 31, 2025.....	<u><u>\$ 14,827</u></u>

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)
	<u>\$ 7,799</u>	<u>\$ 6,944</u>
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.....		<u>\$ 7,799</u>

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	<u>\$ 56,397</u>	<u>\$ 45,159</u>

6. INCOME TAXES

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

	2025 <i>53 Weeks</i>
Current:	
Federal	\$ 4,344
State	1,512
Total current.....	<u>5,856</u>
Deferred:	
Federal	(88)
State	(247)
Total deferred.....	<u>(335)</u>
Income tax expense	<u>\$ 5,521</u>

	2024 <i>52 Weeks</i>	2023 <i>52 Weeks</i>
Current:		
Federal	\$ 3,904	\$ 3,772
State	1,145	457
Deferred	780	1,486
Income tax expense	<u>\$ 5,829</u>	<u>\$ 5,715</u>

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	<u>\$ 5,521</u>	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	<u>\$ 5,829</u>	<u>\$ 5,715</u>

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.....	<u>2,256</u>	<u>2,061</u>
Deferred tax liabilities:		
Fixed asset basis difference.....	5,206	5,216
Goodwill and intangibles.....	2,343	2,223
Total deferred tax liabilities.....	<u>7,549</u>	<u>7,439</u>
Net deferred tax liability.....	<u>\$ (5,293)</u>	<u>\$ (5,378)</u>

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.....	<u>\$ 5,820</u>	<u>\$ -</u>
Long-term note payable		
Note payable.....	\$ 217,125	\$ -
Unamortized debt issuance costs.....	(3,205)	-
Total long-term note payable.....	<u>\$ 213,920</u>	<u>\$ -</u>

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.....	<u>\$ 223,875</u>
Less unamortized debt issuance costs.....	4,135
Total note payable, net.....	<u>\$ 219,740</u>

	2025	2024	2023
Interest paid on debt.....	<u>\$ 3,296</u>	<u>\$ -</u>	<u>\$ -</u>

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.....	<u>\$ 12,741</u>	<u>\$ 13,376</u>	
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.....	<u>\$ 93,435</u>	<u>\$ 87,317</u>	
	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.....	<u>\$ 2,513</u>	<u>\$ 1,199</u>

**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	<u>\$ 6,420</u>	<u>\$ 2,980</u>

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.....	<u>\$ 36,419</u>	<u>\$ 7,390</u>

Rent expense is presented below.

	2025	2024	2023
Minimum rent.....	\$ 11,887	\$ 11,848	\$ 12,272
Contingent rent.....	72	8	73
Rent expense.....	<u>\$ 11,959</u>	<u>\$ 11,856</u>	<u>\$ 12,345</u>

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.....	<u>\$ 24,238</u>	<u>\$ 23,644</u>	<u>\$ 23,587</u>

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.

Year	Operating Leases	
	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.....	<u>\$ 2,285</u>	<u>\$ 1,393</u>

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	<u>\$ (1,231)</u>	<u>\$ (2,370)</u>	<u>\$ (1,805)</u>

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

STEAK 'N SHAKE MANUAL TABLE OF CONTENTS

STEAK 'N SHAKE MANUAL TABLE OF CONTENTS

The table of contents of Steak 'n Shake's 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 D.

EXHIBIT I-1

LIST OF FRANCHISED AND FORMER FRANCHISED RESTAURANTS

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

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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; Tel. (515) 225-8908

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.

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LOUISIANA

SODEXO

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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 (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.
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GUESA SHAKE, LLC
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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
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STENNETT'S S'N S, INC.

Nancy Stennett; Tel. (417) 337-1848

503 West Highway 76, Branson, MO 65616; Tel. (417) 336-5303

STENNETT'S S'NS II, INC.

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

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THE BOARD OF REGENTS

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NEVADA

GAUGHAN SOUTH, LLC d/b/a SOUTH POINTE HOTEL AND CASINO

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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.

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East Carolina University, Student Center, 501 East 10th Street, Greenville, NC 27858

OHIO

STRICTLY CASUAL CONCEPTS, LLC

James Stricklin (740) 591-0254

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OKLAHOMA

NEO RESTAURANTS

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501 Stonewood Drive, Broken Arrow, OK 74012; Tel. (918) 355-6405

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MSE BRANDED FOODS

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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
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A.R.T. Hospitality Group L.L.C.

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ESHAYUSHI, LLC

Yogesh Patel; Tel. (732) 735-5978
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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.

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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

LIST OF FRANCHISED PARTNERS

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	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 Askargh	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
	CHAMOOOTH 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 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
	ZAITSZ 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 Kennesaw, 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 Mooreville, 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 LYNNE'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 & SHAKES Stephanie Morgerson	2001 Colby Taylor Drive Richmond, KY 40475	859-626-9300
	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 Arbrog 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 25, 2024:

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.

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
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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 I-2

LIST OF FORMER FRANCHISE PARTNERS

LIST OF FORMER FRANCHISE PARTNERS

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
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.

EXHIBIT J

STATE SPECIFIC DISCLOSURES AND ADDENDA TO AGREEMENTS

STATE SPECIFIC DISCLOSURES AND ADDENDA 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 Partner Franchise Agreement
3. Addendum to License Agreement

MARYLAND

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement
3. Guarantee Of Performance- State Of Maryland

MINNESOTA

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement
3. Addendum to License Agreement

NEW YORK

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement t
3. Addendum to License Agreement

NORTH DAKOTA

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement

RHODE ISLAND

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement
3. Addendum to License Agreement

VIRGINIA

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

WASHINGTON

1. Addendum to Franchise Disclosure Document
2. Addendum to Franchise Partner Franchise Agreement

**ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY 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 BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

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, transfer 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 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.

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.

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 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.

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 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.

**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. Item 17(v) in the Franchise Agreement table, Lease Agreement table, Sublease Agreement table, and the License Agreement table of the Disclosure Document are amended to include the following:

However, any provision in the Franchise 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.

3. Item 17(w) in both the Franchise Agreement table, Lease Agreement table, Sublease Agreement table, and the License Agreement table of the Disclosure Document are 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.

1. 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.

5. 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.

**ADDENDUM TO FRANCHISE PARTNER 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 Franchise Partner Franchise 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. 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 15.2 and 15.3 of the Agreement 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 15.7 of the Agreement 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.

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.

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 Agreement noted above in this Addendum.

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

“Franchisor”

By: _____
Printed: _____
Title: _____

“Franchisee”

By: _____
Printed: _____
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 on the day and year first above written.

“Licensor”

By: _____
Printed: _____
Title: _____

“Licensee”

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.

1. The following entries in each of the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement and License Agreement) are modified as follows:

- a. Item 17(f) is revised 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.
- b. 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.)).
- c. Item 17(v) is revised 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.)).
- d. 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. 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.) and MD. BUS. REG. CODE ANN. Section §14-216(c)(25)) are met independently without reference to this Addendum.

5. 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. 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.

6. 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 jurisdictional or other requirements are not met.

**ADDENDUM TO FRANCHISE PARTNER 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 Franchise Partner Franchise 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. 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 11.1(A)(v) of the Agreement 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 15.2 and 15.3 of the Agreement 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. ANN. CODE BUS. REG., §§14-201 through 14-233 (2015 Repl. Vol.)). 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 13.2(A)(viii) of the Agreement is revised to provide that 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. ANN. CODE BUS. REG., §§14-201 through 14-233 (2015 Repl. Vol.)).

5. Section 15.8 of the Agreement 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.

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. Each provision of this Addendum to the Agreement 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. ANN. CODE BUS. REG., §§14-201 through 14-233 (2015 Repl. Vol.)) are met independently without reference to this Addendum.

7. Notwithstanding anything to the contrary contained in the Agreement, any acknowledgments or representations of the franchisee made in the Agreement 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.

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

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

“Franchisor”

By: _____

Printed: _____

Title: _____

“Franchisee”

By: _____

Printed: _____

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 Agreement.

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. Items 17 (c) and (m) in each of the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement, and License Agreement) 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.

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.

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 if such jurisdictional or other requirements are not met.

**ADDENDUM TO FRANCHISE PARTNER FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY MINNESOTA**

1. The following language amends Article 15 of the Franchise Agreement (“Agreement”):

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 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 Agreement 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 15.8 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 15.9 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 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 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 if such jurisdictional or other requirements are not met.

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

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

“Franchisor”

“Franchisee”

By: _____
Printed: _____
Title: _____

By: _____ Printed: _____
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 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.

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.

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 if 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”

By: _____
Printed:
Title:

“Licensee”

By: _____ Printed:
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 Disclosure Document (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. The following entries in each of the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement, and License Agreement) are modified as follows:

a. We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith judgment is willing and able to assume our obligations under the Franchise Agreement.

b. The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law.

c. The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

d. Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

e. 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 PARTNER 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 Franchise Partner Franchise 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 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 13.2 (A) (viii):

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 15.3:

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.

7. 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.8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. 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”

By: _____
Printed: _____
Title: _____

By: _____ Printed: _____
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 4.6:

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.

3. 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 License 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.

“Licensor”

“Licensee”

By: _____
Printed:
Title:

By: _____ Printed:
Title: _____

**ADDENDUM TO DISCLOSURE DOCUMENT
SPECIFIC DISCLOSURES REQUIRED BY NORTH DAKOTA**

1. The following entries in each of the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement, and License Agreement) are modified as follows:

a. 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.

b. 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.

c. Item 17(u) of the Disclosure Document is revised to provide that mediation will be held at location agreeable to all parties.

d. Item 17(v) of the Disclosure Document is revised to provide that any provision in the Franchise Agreement or License 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.

e. Item 17(w) of the Disclosure Document is revised to provide that:

North Dakota law applies.

f. 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. 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.

**ADDENDUM TO FRANCHISE PARTNER FRANCHISE AGREEMENT SPECIFIC
DISCLOSURES REQUIRED BY NORTH DAKOTA**

1. Section 11.1 (C) 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.

2. Section 15.2 of the Agreement is revised to replace the word “Indiana” as it appears throughout this Section with “North Dakota”.

3. Section 15.3 of the Agreement is revised to provide:

This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

4. Sections 12.1 and 12.2 of the Agreement 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.

5. Section 15.7 and Section 15.8 are 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.

6. 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.

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

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

“Franchisor”

By: _____
Printed: _____
Title: _____

“Franchisee”

By: _____
Printed: _____
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. “Renewal, Termination, Transfer and Dispute Resolution,” of the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement, and License Agreement) are 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.

**ADDENDUM TO FRANCHISE PARTNER FRANCHISE AGREEMENT
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 parties agree to amend the Franchise Agreement as follows:

1. Sections 15.2 and 15.3 of the Agreement 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 executed and delivered this Addendum on the day and year first above written.

“Franchisor”

“Franchisee”

By: _____
Printed: _____
Title: _____

By: _____ Printed: _____
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 4.6 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.

"Licensor"

"Licensee"

By: _____
Printed: _____
Title: _____

By: _____ Printed: _____
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.h in the Item 17 tables (Franchise Agreement, Lease Agreement, Sublease Agreement, and License Agreement).

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.

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 if such jurisdictional or other requirements are not met.

**ADDENDUM TO FRANCHISE PARTNER 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 Franchise Partner Franchise 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, as the State of Virginia has a statute, Section 13.1-564 of the Virginia Retail Franchising Act, which may supersede the Agreement in your relationship with us, including the areas of termination of your franchise.

NOW, THEREFORE, the parties hereto agree that the Agreement 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 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 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. 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 if 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 Agreement noted above in this Addendum.

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

“Franchisor”

By: _____
Printed: _____
Title: _____

“Franchisee”

By: _____ Printed: _____
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 Agreement 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 Agreement 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.

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 Agreement 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.

4. 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. 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.

5. 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 Addendum on the day and year first above written.

“Franchisor”

By: _____

Printed: _____

Title: _____

“Franchisee”

By: _____

Printed: _____

Title: _____

**ADDENDUM TO FRANCHISE PARTNER FRANCHISE AGREEMENT
SPECIFIC DISCLOSURES REQUIRED BY WASHINGTON**

The Disclosure Document and Franchise Agreement (“Agreement”) are modified and/or clarified as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement 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 Agreement 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 Agreement 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.
6. 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 Addendum on the day and year first above written.

“Franchisor”

By: _____

Printed:

Title:

“Franchisee”

By: _____

Printed: _____

Title: _____

EXHIBIT K

INITIAL TRAINING AGREEMENT

STEAK N SHAKE ENTERPRISES, INC.

INITIAL TRAINING AGREEMENT

This Initial Training Agreement (this “Agreement”) is effective as of the [●] day of [●], 20[●] (“Effective Date”), by and between Steak n Shake Enterprises, Inc., an Indiana corporation (“Company”), and [_____] a [_____] (“Candidate”).

PRELIMINARY STATEMENTS

A. Candidate has expressed an interest in becoming a franchisee of Company and to be considered as a franchise partner to operate a Steak n Shake by Biglari restaurant (the “Restaurant”).

B. Company requires certain franchisee applicants to, among other requirements, successfully complete Company’s Initial Training Program (as hereinafter defined) prior to being considered for the franchise partner program.

C. Candidate desires to participate in the Initial Training Program in relation to the operation of the Restaurant.

D. Company desires to provide the training to Candidate on the terms and conditions set forth below.

AGREEMENT

The parties, intending to be legally bound, agree as follows:

1. Initial Training Program. Company shall provide to Candidate the initial training program related to the management and operation of the Restaurant as required from time to time by Company (the “Initial Training Program”).

The Initial Training Program consists of (a) Company’s Management Development Program which shall last from five (5) to six (6) weeks and (b) in-store execution training which shall last from six (6) to eight (8) months thereafter. As part of the Initial Training Program, the Candidate must perform and master all of the crew and management functions at the Restaurant and demonstrate that the Candidate is able to meet certain defined metrics during the in-store execution training, as determined by Company in its sole discretion. The Candidate is required to complete all aspects of the Initial Training Program to Company’s satisfaction prior to being qualified to operate a Restaurant as a franchisee.

Upon completion of the Initial Training Program, Company shall determine, in its sole discretion, whether the Candidate meets the qualification and requirements for selection as a franchisee.

2. Term of Agreement. The term of this Agreement will begin on the Effective Date and will continue until the Initial Training Program is completed, unless terminated sooner pursuant to Section 8.

FORM OF AGREEMENT

3. Cost of Training – Relationship of Parties.

a. Upon the execution of this Agreement, Candidate shall pay to Company the sum of Ten Thousand Dollars (\$10,000) as an initial deposit (“Initial Deposit”). If Candidate and Company subsequently enter into a franchise agreement for a Restaurant, Company will apply the Initial Deposit to satisfy payment of the Ten Thousand Dollar (\$10,000) initial franchise fee. If Candidate and Company do not subsequently enter into a franchise agreement for a Restaurant for any reason or no reason, Company will refund to Candidate one-half of the Initial Deposit (or \$5,000) and will retain the balance in partial satisfaction of the costs of providing the Initial Training Program to Candidate. The Candidate shall be responsible for the costs of traveling, living, and other expenses incurred during the Initial Training Program. CANDIDATE SHALL NOT RECEIVE ANY MONETARY COMPENSATION OR OTHER FORM OF REMUNERATION DURING THE TERM OF THIS AGREEMENT.

b. During the term of this Agreement, Candidate is not an employee, agent, partner, joint venturer or associate of Company, and nothing in this Agreement shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

c. Further, the parties acknowledge and agree that Candidate shall not be entitled hereafter to participate in any plans, arrangements, or distributions by Company relating to any pension, deferred compensation, bonus, stock bonus, hospitalization, insurance, or other benefits extended to employees. Candidate will have no authority to enter into contracts that bind the Company or create obligations on the part of the Company.

4. Rights in Work Product.

a. The work product of the Candidate, including all results, ideas, developments, intellectual property, and inventions which the Candidate conceives or reduces to practice during the course of their performance under this Agreement shall be the exclusive property of Company.

b. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Company, Candidate shall execute patent applications, assignments to Company, and other papers and shall render such other assistance which Company believes necessary to secure for Company the full protection and ownership of all rights in and to the work product of the services performed and owned by Company pursuant to Section 4.a. hereof.

5. Confidential Information and Non-Disparagement. Candidate acknowledges that the performance of Initial Training Program involves the creation of, transmittal of, handling of, entrustment with, familiarity with and access to certain confidential information of a proprietary nature to Company and various trade secrets, including financial information; projections; processes; computer programs and software; compilations of information; records; information regarding compensation, benefits, wages and salaries; sales, marketing and other strategies; employee names, addresses, telephone numbers or e-mail addresses; research and development work; market research; and methods of doing business that are or will be owned by Company and are or will be regularly used in the operation of Company’s business as well as certain

FORM OF AGREEMENT

financial, operational and other information that is not known to the general public and which constitutes “Inside Information” under the Federal and state Securities laws and regulations (collectively the “Confidential Information”). Candidate agrees and acknowledges that the Confidential Information constitutes a trade secret as that term is used in Ind. Code §24-2-3-1 et. seq. and “Inside Information” as that term is used under the laws and regulations administered by the Securities and Exchange Commission and the Indiana Department of Securities Regulation. Candidate will take all steps necessary to safeguard the Confidential Information, whether it derives from Candidate or employees or other candidates of Company and that Candidate will not, directly or indirectly, at any time, use, disclose or disseminate to any other person, entity, business or corporation or otherwise share any Confidential Information, except as required to perform Candidate’s duties hereunder or as authorized in writing by Company. In addition to the foregoing, Candidate specifically understands and acknowledges that it may neither trade in stock in Biglari Holdings Inc. based on Confidential Information, tip others to do so nor otherwise use such information for any purpose other than in connection with doing business with Company.

Notwithstanding the foregoing, Candidate’s obligations under this Section shall not apply to (a) information that, at the time of disclosure, is, or after disclosure becomes part of, the public domain other than as a consequence of Candidate’s breach, (b) information that was known or otherwise available to Candidate prior to the disclosure by Company as substantiated by corroborating evidence, (c) information disclosed by a third party to Candidate after disclosure by Company, if such third party’s disclosure neither violates any obligation of the third party to Company nor is a consequence of Candidate’s breach, or (d) information that Company authorizes, in writing, to be released.

Further, Candidate agrees not to disparage or otherwise speak or write negatively, directly or indirectly, of Company or the other Company Released Parties, the Steak n Shake® brand, the Steak n Shake® System, or any other service-marked or trademarked concept of Company or its affiliates, or which would subject the Steak n Shake® brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Company or its affiliates in the Steak n Shake® brand or any other brand.

Candidate’s obligations under this section shall survive termination of this Agreement.

6. Covenant Not to Compete. Candidate agrees (in consideration of Company entering into this Agreement) that, beginning on the Effective Date, during the entire term of this Agreement, Candidate will not (i) own, directly or indirectly, any interest in any Competing Business existing as of the Effective Date, or (ii) be employed either as a manager, operator, supervisory employee, officer, agent or consultant in any Competing Business. “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 volume sold) (other than the Restaurant).

7. Indemnity and Limitation of Liability.

a. Candidate shall defend, indemnify and hold Company, its parent company, subsidiaries, affiliates, directors, officers, shareholders, employees, agents and assignees (collectively, the “Indemnitees”), harmless from and against any and all claims, actions, demands, suits, losses, damages, liabilities, fines, penalties, costs and expenses, including without limitation reasonable attorneys’ fees and court costs arising out of the following events or circumstances (other than to the extent arising out of or resulting from the gross negligence or

FORM OF AGREEMENT

willful misconduct of Company seeking indemnification hereunder): (i) any claims arising from acts or omissions of the Candidate occurring during the term of this Agreement, including, without limitation, any bodily injury to or death of any person, or damage to or destruction of any property; and (ii) any breach by Candidate of the terms and conditions of this Agreement.

b. Company agrees to give Candidate reasonable notice of any event of which Company becomes aware for which indemnification may be required. At the election of Company, Candidate shall defend Company at Candidate's sole cost and expense in any such suits, actions or proceedings in which Company is joined as a party thereto. Company shall also have the right to defend any such claim itself and to be reimbursed by the Candidate for the cost of such defense. This Section 7 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

c. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, LIQUIDATED, INDIRECT, PUNITIVE AND OTHER SPECIAL DAMAGES REGARDLESS OF THE LEGAL THEORY, EVEN IF IT HAD BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN THE POSSIBILITY THEREOF (INCLUDING, BUT NOT LIMITED TO, LOSS OF REPUTATION OR LOSS OF OPPORTUNITY, LOST INCOME, OR OTHER COMMERCIAL OR ECONOMIC LOSS OF ANY KIND).

8. Termination. Either party may terminate this Agreement at any time upon prior written notice to the other party. This Agreement will also terminate upon Candidate (or its designee) entering into a franchise agreement with Company for the Restaurant.

9. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of either party.

10. Governing Law. This Agreement and all claims and disputes arising hereunder or related to this Agreement, the transactions contemplated hereby or the conduct of any party in connection therewith shall be governed by, and construed and interpreted in accordance with, the laws of the State of Indiana, without regard to principles of conflicts of law that would apply any other law.

11. Dispute Resolution.

a. *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. Candidate and Company 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. Candidate and Company further acknowledge the receipt and sufficiency of mutual consideration

FORM OF AGREEMENT

for such benefit. Notwithstanding the above, Candidate agrees that Company may enforce this Agreement in the courts of the state in which Candidate's Restaurant is located. Candidate agrees that any proceeding will be conducted on an individual, not a class-wide, basis, and that a proceeding between the Company and Candidate may not be consolidated with another proceeding between Company 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 Company and Candidate.

12. **Assignment.**

a. *Assignment by Company.* This Agreement and all rights hereunder, and any and all of Company's ownership, may be assigned and transferred by Company without notice to or consent by Candidate and, if so, shall be binding upon and inure to the benefit of the Company's successors and assigns, provided, however, that with respect to any assignment requiring the subsequent performance by the assignee of the functions of Company, the assignee shall expressly assume and agree to perform such obligations.

b. *Assignment by Candidate.* Candidate understands and acknowledges that the rights and duties created by this Agreement are personal to Candidate. Therefore, the prior written approval of the Company is required prior to any voluntary, direct or indirect assignment or other transfer by Candidate of the rights granted pursuant to this Agreement.

13. **Modification.** This Agreement and any attachment hereto shall be modified only by an instrument in writing and signed by duly-authorized representatives of the parties.

14. **Merger of Agreement.** This document constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all previous communications, representations, understandings, and agreements, either oral or written, between the parties or any official or representative thereof.

15. **Notice.** 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 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 or to provide information to the other party by email, subject to any applicable laws.

Company notice address:

Steak n Shake Enterprises, Inc.
Attn. Vice President, Franchise Operations
19100 Ridgewood Parkway, Suite 1200
San Antonio, TX 78259

Candidate notice address:

[INSERT CANDIDATE ADDRESS]
Email: [INSERT CANDIDATE EMAIL]

Copy to: Legal Dept.

Steak N Shake Enterprises, Inc.,
107 South Pennsylvania Street, Suite 400
Indianapolis, Indiana 46204
Email: chris.evens@steaknshake.com

FORM OF AGREEMENT

16. Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other parties. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission in portable document format (PDF) or .tiff format that includes a copy of the sending party's signature(s) is as effective as signing and delivering the counterpart in person.

[Signature page follows.]

FORM OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

STEAK N SHAKE ENTERPRISES, INC., an
Indiana corporation

By: _____
Name:
Title:

[CANDIDATE]

By: _____
Name: [●]
Title: [●]

EXHIBIT L
STEAK N SHAKE INC. GUARANTY
AND
AUDITOR'S CONSENT

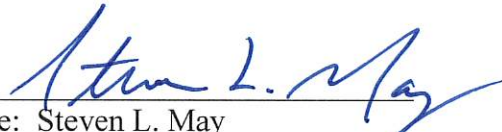
Exhibit L - Guarantee of Performance

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: 

Name: Steven L. May

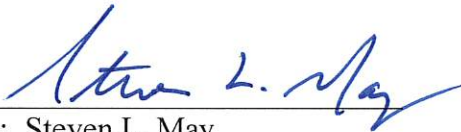
Title: Chief Administrative Officer

STATE OF MARYLAND
Exhibit L – 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: 

Name: Steven L. May

Title: Chief Administrative Officer

STATE OF VIRGINIA

Exhibit L – Guarantee of Performance

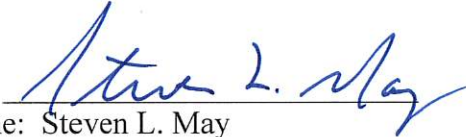
GUARANTEE OF PERFORMANCE

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: 

Name: Steven L. May

Title: Chief Administrative Officer



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

May 8, 2026

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

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, Franchise Partner Program for Existing Company Restaurants, 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 & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

May 8, 2026

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

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, Franchise Partner Program for Existing Company Restaurants, 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 M
RECEIPTS

RECEIPT

(Franchisor Copy – Sign and Return)

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in **(a)** Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale; **(b)** New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale; and **(c)** Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state administrator listed in Exhibit A. Our agents for service of process are listed in Exhibit B.

Issuance Date: May 8, 2026

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 _____ Cynthia Strobe

Other: _____

(Please check names and complete as applicable).

I received a Franchise Disclosure Document dated . This Franchise Disclosure Document included the following Exhibits and Attachments:

EXHIBIT A	List of State Franchise Administrators
EXHIBIT B	List of Registered Agents for Service of Process of Steak n Shake Inc.
EXHIBIT C	Franchise Agreement, including the following Appendices: Appendix A Franchisee Information Appendix B-1 Lease Agreement, including Equipment Lease Addendum Appendix B-2 Sublease Agreement, including Equipment Lease Addendum Appendix C Pre-Authorized Bank Transfer Appendix D Confidentiality and Waiver Agreement
EXHIBIT C-1	Former Employee Amendment to Franchise Agreement
EXHIBIT C-2	New Franchisee Incentive Program Amendment to Franchise Agreement
EXHIBIT D	Assignment and Assumption Assignment Agreement with Personal Guaranty
EXHIBIT E	License Agreement
EXHIBIT F	Administrative Services Agreement
EXHIBIT F-1	Promissory Note
EXHIBIT G	Consolidated Financial Statements of Steak n Shake Inc.
EXHIBIT H	Steak 'n Shake Manual Table of Contents
EXHIBIT I	List of Franchised and Former Franchised Restaurants
EXHIBIT I-2	List of Former Franchise Partners
EXHIBIT J	State Specific Disclosures and Addenda to Agreements
EXHIBIT K	Initial Training Agreement
EXHIBIT L	Steak n Shake Inc. Guarantee of Performance
EXHIBIT M	Receipts

Date: _____

Signature

Printed Name, an Individual

Printed Name, Officer, Title

of _____

(a _____ Corporation)

(a _____ Partnership)

(a _____ Limited Liability Company)

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 S. Pennsylvania St., Suite 400, Indianapolis, Indiana 46204

RECEIPT

(Franchisee Copy – For Your Records)

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in **(a)** Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale; **(b)** New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale; and **(c)** Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state administrator listed in Exhibit A. Our agents for service of process are listed in Exhibit B.

Issuance Date: May 8, 2026

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_____ Shawn Biglari _____ Brian Bovey _____ Shane Norman _____ Cynthia Strobe

Other: _____

(Please check names and complete as applicable).

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EXHIBIT L	Steak 'n Shake Inc. Guarantee of Performance
EXHIBIT M	Receipts

Date: _____

Signature

Printed Name, an Individual

Printed Name, Officer, Title

of _____

(a _____ Corporation)

(a _____ Partnership)

(a _____ Limited Liability Company)