

WSC has the right to change the types of Proprietary Products, Menu Items, and other products it requires or authorizes you to sell at your Franchised Restaurant, and there are no limits on WSC's right to make these changes.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

FRANCHISE AGREEMENT

Provision	Paragraph In The Franchise Agreement	Summary
a. Length of the term of the franchise	Paragraph II.A., Exhibit B	The term is 20 years from the date the franchise is opened for business, but the Franchise Agreement is effective and binding from the day it is signed. If the Franchised Restaurant was transferred to you, your term is from the date of transfer until the expiration of the original Franchise Agreement term.
b. Renewal or extension of the term	Paragraph II.B.	You can renew for 1 additional term of 10 years.
c. Requirements for you to renew or extend	Paragraphs II.B., C.	You may renew the Franchise Agreement if you have complied with all of the Franchise Agreement provisions, the Manual and all other agreements with WSC; you have not committed 2 or more events constituting default during any 24-month period; and you maintain possession of the Premises and have brought the Franchised Restaurant into compliance with WSC's current standards; you have given notice of renewal to WSC; and you have signed a new agreement. You must give WSC notice of your intent to renew between 8 and 12 months before the Franchise Agreement expires. WSC will give you its current franchise documents within 30 days of your renewal request. WSC will approve the renewal if you have complied with the renewal conditions. If you fail to perform or deliver notice as required for renewal, your right to renew will automatically lapse. If applicable law requires that WSC give you notice before the expiration of the franchise term, the Franchise Agreement will remain effective on a month-to-month basis until

FRANCHISE AGREEMENT (continued)

Provision	Paragraph In The Franchise Agreement	Summary
		WSC has legally given you notice. If WSC cannot legally offer you its then-current Franchise Agreement at the time of renewal, it may allow you to renew based on the initial Franchise Agreement signed or extend the term on a month-to-month basis.
d. Termination by you	Paragraph XVI.D.	You may elect to terminate the Franchise Agreement with cause
e. Termination by WSC without cause	None	The Franchise Agreement does not contain a provision allowing WSC to terminate the Franchise Agreement without cause.
f. Termination by WSC with "cause"	Paragraphs XVI.A., B.	WSC may terminate the Franchise Agreement if you default under the terms of the Franchise Agreement or any related agreement.
g. "Cause" defined-curable defaults	Paragraph XVI.A.	The following events constitute curable defaults: you fail to make payments due to WSC, A.D.R.F., or a recognized Franchisee Association and do not cure within 15 business days or you fail to comply with mandatory specifications in the Franchise Agreement and do not cure within 15 days. WSC will provide notice of curable defaults.
h. "Cause" defined-defaults which cannot be cured	Paragraphs III.I., XVI.B.	The following events constitute non-curable defaults: abandonment; bankruptcy; and insolvency; knowing under-reporting; repeated defaults; misrepresentation in application; violation of law; fail to timely locate an acceptable site for the Restaurant; fail to complete training; are convicted of or plead no contest to a felony or otherwise engage in conduct that can adversely affect the reputation of you or the Franchised Restaurant; misuse the Manual or Marks; submit reports and payments late; make an unauthorized transfer of the Restaurant, default under other agreements, all as defined in the Franchise Agreement.
i. Your obligations on termination/non-renewal	Paragraphs XVI.E., XVII.	If you terminate, within 10 days, you must stop using the Marks, methods of operation, Trade

FRANCHISE AGREEMENT (continued)

Provision	Paragraph In The Franchise Agreement	Summary
		<p>Secrets, confidential business information, Advertising Materials and objects bearing the Marks. You obligations include: stop operating the Franchised Restaurant; assign the lease upon WSC's demand; cancel or assign any assumed name rights; pay all sums owed to WSC; pay all damages, costs and expenses owed; stop using the Marks and items bearing the Marks; de-identify the Premises from any confusingly similar decoration, design or other imitation of a Western Sizzlin restaurant or Western Sizzlin Wood Grill restaurant; stop advertising as a Franchised Restaurant; return all Manuals and other confidential information and property to WSC; give WSC access to retrieve signs; sell to WSC, at WSC's option, all assets of the Franchised Restaurant; assign your telephone numbers and electronic addresses to WSC; and comply with the covenants not to compete. Termination or expiration will not prejudice any rights of WSC or its Related Entities.</p>
j. Assignment of contract by WSC	Paragraph XVIII.	<p>There is no restriction on WSC's right to transfer, except that the transferee must be able to fulfill WSC's obligations.</p>
k. "Transfer" by you-defined	Paragraphs XVIII.B., E.	<p>You may transfer the Franchise Agreement and all rights under the Franchise Agreement subject to certain restrictions. You cannot give any third party a security interest in the Franchise Agreement or the Marks without WSC's written consent. Any transfer of more than 50% of your ownership will be considered a transfer of the franchise.</p>
l. WSC approval of transfer by you	Paragraph XVIII.B.	<p>WSC has the right to approve all of your transfers, but will not unreasonably withhold approval.</p>
m. Conditions for WSC approval of transfer	Paragraphs XVIII.C., XX.	<p>For a transfer to a third party, the transferee must meet WSC's qualifications, assume your obligations, receive the consent of your landlord to the transfer of the lease, provide WSC with a letter from an independent certified public accountant</p>

FRANCHISE AGREEMENT (continued)

Provision	Paragraph In The Franchise Agreement	Summary
n. WSC's right of first refusal to acquire your business	Paragraphs XVIII.C., XX.	stating that the accountant has reviewed the terms of the proposed transfer, successfully complete the training program and sign the current Franchise Agreement. You will pay all sums owed to WSC and sign a general release. A transfer fee must be paid; see Item 6 for more information. You will be bound by WSC's covenants not to compete after the transfer.
o. WSC's option to purchase your business	Paragraphs XVIII.C., XX.	WSC has the right of first refusal to purchase a Franchised Restaurant or its assets for sale and for which you have received an offer to purchase. WSC has 30 days from notice of the offer to purchase the Franchised Restaurant or its assets at the same terms as those contained in the offer. If, however, WSC elects not to exercise its right of first refusal and the terms are materially changed, or if more than 90 days passes without the assignment occurring, the changed terms or lapse of time will be deemed a new proposal and WSC will again have the right of first refusal with respect thereto.
o. WSC's option to purchase your business	Paragraphs XVIII.C., XX.	WSC has the right to purchase your business for 30 days from the date of delivery of the written offer. WSC may purchase your Franchised Restaurant assets at fair market value upon expiration or termination of the Franchise Agreement.
p. Death or disability of you	Paragraphs XIX.A., B.	In case of your death or disability, the transfer of your interest to a personal representative or conservator for estate administration purposes will not need WSC's consent. WSC's consent is necessary for a transfer to your heirs, devisees and beneficiaries and an application must be made within 60 days of your death or incapacity; however, WSC will not have a right of first refusal.
q. Non-competition covenants during the term of the franchise	Paragraphs XV.I., XV.L.	You must not employ or seek to employ any person then employed or employed within the previous 6 months by WSC or another franchisee of WSC or otherwise cause that person to leave his or her employ; or own or otherwise have any interest in

FRANCHISE AGREEMENT (continued)

Provision	Paragraph In The Franchise Agreement	Summary
		any business specializing in the sale of steak and/or features a food bar the same as or similar to any product or service provided through the System within 25 miles of the Location or any Western Sizzlin Franchised Restaurant unless WSC consents in writing.
r. Non-competition covenants after the franchise is terminated or expires	Paragraphs XV.L., XV.K.	The above non-compete covenants continue for 1 year after the expiration or termination of the Franchise Agreement and you may not sell, lease or sublease the Restaurant or Location to any business that features the sale of steak or features a food bar.
s. Modification of the agreement	Paragraph VIII.	The Franchise Agreement can be modified only by written agreement between WSC and you. WSC can modify or change the System through changes in the Manual.
t. Integration/merger clause	Paragraph XXVII.	Only the terms of the Franchise Agreement are binding (subject to state law) and may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable.
u. Dispute resolution by arbitration or mediation	Paragraph XXX.	Except for disputes concerning the Marks and confidential information, all disputes must be arbitrated in Roanoke City, Virginia.
v. Choice of forum	Paragraph XXIX.B.	Any action will be brought in the appropriate state or federal court in Roanoke City, Virginia (subject to your state law).
w. Choice of Law	Paragraph XXIX.	Virginia law applies (subject to state law).
x. Force Majeure	Paragraph XXXI.	Extends periods of time for performance by you or WSC.

AREA DEVELOPMENT AGREEMENT

Provision	Paragraph In The Area Development Agreement	Summary
a. Length of the term of the Area	Paragraph IV.A.	The rights granted under the Area Development

AREA DEVELOPMENT AGREEMENT (continued)

Provision	Paragraph In The Area Development Agreement	Summary
Development Agreement		Agreement expire on the date of Company's acceptance and signing of a Franchise Agreement for the last Franchised Restaurant to be developed.
b. Renewal or extension of term	Paragraph IV.B.	The Area Development Agreement does not provide for renewal or extension of the term.
c. Requirements for you to renew or extend	Paragraphs IV.C., D., E.	See Item 12 for more information
d. Termination by you	Not Applicable	The Area Development Agreement does not contain a provision allowing you to terminate the Area Development Agreement for any reason.
e. Termination by Company without cause	Not Applicable	The Area Development Agreement does not provide for its termination without cause.
f. Termination by Company with "cause"	Paragraph VII.B.	If you are in default of the Area Development Agreement, Company will have cause to terminate the Area Development Agreement.
g. "Cause" defined-curable defaults	Not Applicable	The Area Development Agreement does not provide for defaults which can be cured.
h. "Cause" defined-defaults which cannot be cured	Paragraphs VII.B., C.	The Area Development Agreement will terminate automatically if you are adjudicated bankrupt; a final judgment remains unsatisfied for 30 days or longer; execution is levied against you or your property; suit to foreclose any lien or mortgage is instituted and not dismissed or you have failed to exercise options and enter into Franchise Agreements with Company set out on your Development Schedule, failed to comply with any other term and condition of the Area Development Agreement, make or attempt to make an unapproved transfer of the Area Development Agreement, or if you fail to comply with the terms and conditions of any Franchise Agreement or other agreement between you and Company.
i. Your obligations on	Paragraphs VII.C., D.	You will lose your options to establish an

AREA DEVELOPMENT AGREEMENT (continued)

Provision	Paragraph In The Area Development Agreement	Summary
termination/non-renewal		individual Franchised Restaurant for which a Franchise Agreement has not been signed. WSC may also reduce the number of options or reduce or terminate your territorial exclusivity or exercise other rights or remedies may WSC have.
j. Assignment of contract by Company	Paragraph VIII.A.	There is no restriction on Company's right to transfer the Area Development Agreement except that at the time of transfer the assignee shall be financially responsible and economically capable of performing WSC's obligations and agree to perform those obligations.
k. "Transfer" by you-defined	Paragraphs I.E., VIII.B., C.	Transfer is not permitted except in situations of death or legal incapacity with WSC's prior written consent.
l. Company's approval of transfer by you	Paragraphs VIII.B., C.	Company must approve all of your transfers as allowed, but will not unreasonably withhold approval. WSC must review and approve your marketing materials if you make a public offering.
m. Conditions for Company approval of transfer	Paragraph VIII.C.	For a transfer to a third party, the transferee must meet WSC's qualifications; and if a Developer of WSC is the transferee, be in compliance with its current agreement, sign the current Area Development Agreement. You will have complied with all agreement requirements, pay all sums owed to Company or Affiliate and sign a general release. A transfer fee must be paid. You must not sign any individual Franchise Agreement or establish any restaurant with the plan to transfer the Franchise Agreement or Restaurant.
n. Company's right of first refusal to acquire your business	Paragraphs VII.C., D.	Company has the right of first refusal to purchase your ownership interest or assets which are for sale and for which you have received a good faith offer to purchase.

AREA DEVELOPMENT AGREEMENT (continued)

Provision	Paragraph In The Area Development Agreement	Summary
o. Company's option to purchase your business	Paragraphs VIII.C., D.	Company has 30 days from notice of assignment (upon death or incapacity of Developer) to purchase your ownership interest or its assets at the same terms as contained in the offer.
p. Death or disability of you	Paragraph VIII.C.	The death or legal incapacity of an owner of 20% or more triggers the transfer provisions of the Area Development Agreement.
q. Non-competition covenants during the term of the franchise	Paragraphs IX.D., XXII.D.	You must not own or otherwise have any interest in any business (including a business you currently operate) specializing in the sale of steak or other food products the same as or similar to any product or service provided through the System. You will also be bound by and comply with the covenants in each Franchise Agreement you sign with Company. The covenants apply even if you have transferred your interest in the Area Development Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph IX.E.	You must not own or operate a business which specializes in steak and food products the same as or similar to any other product or service provided through the System for 1 year after the Area Development Agreement is terminated or expires.
s. Modification of the Area Development Agreement	Paragraph IX.F.	The Area Development Agreement can be modified by law or by Company's reduction of the covenants not to compete scope.
t. Integration/merger clause	Paragraphs XV., XVI.	In case of conflict between the terms of the Franchise Agreement and the Area Development Agreement, the terms of the Franchise Agreement will prevail.
u. Dispute resolution by arbitration or mediation	Paragraph XVIII.	Except for disputes concerning the Marks or confidential information, all disputes will be settled by arbitration in Roanoke City, Virginia.
v. Choice of forum	Paragraph XVII.B.	Appropriate court with jurisdiction over Roanoke City, Virginia (subject to your state

AREA DEVELOPMENT AGREEMENT (continued)

Provision	Paragraph In The Area Development Agreement	Summary
		law).
w. Choice of law	Paragraph XVII.	Virginia law applies (subject to your state law).
x. Force Majeure	Paragraphs III.C., XXI.	Extends periods of time for performance by you or WSC.

Covenants will survive the expiration or termination of the Franchise Agreement.

If all or any portion of a covenant is held unenforceable by a court or agency having valid jurisdiction, you will be bound by any lesser covenant that imposes the maximum duty permitted by law. (Paragraph XV.N.)

WSC may reduce the scope of any covenant in the Franchise Agreement without your consent, effective immediately upon your receipt of written notice, and you must comply with any modified covenant. (Paragraph XV.O.)

All obligations of you and WSC which expressly or by their nature survive the expiration or termination of the Franchise Agreement will continue in full force and effect regardless its expiration or termination until they are satisfied or by their nature expire.

If any law or governmental authority having jurisdiction over the Franchise Agreement and the parties to it limits WSC's rights of termination or requires a longer notice period than provided for in the Franchise Agreement, the Franchise Agreement will be considered amended to conform with the law or regulation. WSC may contest the validity, enforceability, or application of any law or regulation that alters sections of the Franchise Agreement.

For curable defaults, WSC may deem your failure to perform your obligations as a material breach of the Franchise Agreement, in which case WSC will notify you to this effect. If you cure the default within 15 days after WSC's notice of the material breach specified in WSC's notice, which time will be of the essence of the Franchise Agreement, the default will be deemed cured. If, however, you fail to cure the default within the 15 day period, then the Franchise Agreement may be deemed terminated without any notice. The notice period, and all other notice periods will be inclusive of, and not in addition to, any other notice periods required by law. (Paragraph XVI.A.)

These states have statutes which may supersede the Franchise Agreement concerning your relationship with Company, including the areas of termination and renewal of the franchise: ARKANSAS (Ark. Code Ann. Sections 4-72-201 to 4-72-210); CALIFORNIA (Cal. Bus. & Prof. Code Sections 20000 to 20043); CONNECTICUT (Conn. Gen. Stat. Ann. Sections 42-133e to 42-133h); DELAWARE (Del. Code Ann. Tit. 6 Sections 2551 to 2556); DISTRICT OF COLUMBIA (D.C. Code Ann. Sections 29-1201 to 29-1208); FLORIDA (Stat., Section 542.335); HAWAII (Haw. Rev. Stat. Sections 482E-1 to 482E-12); ILLINOIS (Ill. Rev. Comp. Ch. 815, Sections 705/18 to 705/26); INDIANA (Ind. Code Ann. Sections 23-2-2.7-1 to 23-2-2.7-7); IOWA (Iowa Code, Ch. 523H, Sections 523H.1 to 523H.17); LOUISIANA (La. Rev. Stat. Ann. Tit. 23, Sections 921[E] and Tit. 12, Section 1042); MICHIGAN (Mich. Comp. Laws, Sections 445.1527 & 445.1535);

MINNESOTA (Minn. Stat. Section 80C.14 and Minnesota Rules, Department of Commerce, Section 2860.4400); MISSISSIPPI (Miss. Code Ann. Sections 75-24-51 to 75-24-63); MISSOURI (Mo. Rev. Stat. Sections 407.400 to 407.420); NEBRASKA (Neb. Rev. Stat. Sections 87-401 to 87-410); NEW JERSEY (N.J. Rev. Stat. Sections 56:10-1 through 56:10-12); NORTH CAROLINA (Chpt. 22B, Sec. 3); PUERTO RICO (Ann., Sections 278 to 278d); SOUTH DAKOTA (S.D. Codified Laws, Section 37-5A-51); VIRGIN ISLANDS (Code, Sections 130-139); VIRGINIA (Va. Code Ann. Sections 13.1-557 through 13.1-574); WASHINGTON (Wash. Rev. Code Sections 19.100.180 to 19.100.190); WISCONSIN (Wis. Stat. Sections 135.01 to 135.07). These and other states may have court decisions which may supersede the Franchise Agreement concerning your relationship with Company, including the areas of termination and renewal of the franchise.

ITEM 18. PUBLIC FIGURES

WSC does not use any public figures to promote its franchise.

ITEM 19. EARNINGS CLAIMS

WSC provides information regarding the earning capability of WSC's franchisees. While this information is provided to assist in the analysis of a WSC franchise, YOU ARE ADVISED THAT EACH NEW FRANCHISEE'S INDIVIDUAL FINANCIAL RESULTS ARE LIKELY TO BE DIFFERENT FROM THE RESULTS STATED IN THE FOLLOWING INFORMATION. THE INFORMATION SUPPLIED IS BASED UPON AVERAGES OF WSC'S FRANCHISES.

Except for the sales analysis provided below, we do not furnish or authorize our salespersons, officers, directors, or any employees to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of any Western Sizzlin Steak & More or Great American Steak & Buffet Restaurant. Actual results will vary from unit to unit and we cannot estimate the results of any particular licensed business. We have specifically instructed sales personnel, employees, and officers that they are not permitted to make claims or statements as to earnings, sales or profits, or prospects, or chances of success, nor are they authorized to represent or estimate dollar figures as to any particular Western Sizzlin or Great American Restaurant.

Upon your request, WSC will make available to you the substantiating data used in preparing the averages of earnings presented.

WESTERN SIZZLIN CORPORATION
FRANCHISE RESTAURANTS

Following are all of the Franchised Restaurants in the system that were open for the entire twelve months of 2005:

Sales Range	Number of Franchised Restaurants	Percentage of Franchise Restaurants	Percent of Sales Distribution
\$3,000,000 and over	5	3.79%	9.19%
\$2,500,000 to \$3,000,000	6	4.55%	7.97%

\$2,000,000 to \$2,500,000	17	12.88%	18.74%
\$1,750,000 to \$2,000,000	16	12.12%	14.50%
\$1,500,000 to \$1,750,000	14	10.61%	10.86%
\$1,250,000 to \$1,500,000	23	17.42%	15.31%
\$1,000,000 to \$1,250,000	24	18.18%	12.77%
\$750,000 to \$1,000,000	18	13.64%	7.91%
\$500,000 to \$750,000	7	5.30%	2.33%
Under \$500,000	2	1.52%	0.41%
Total	132	100.00%	100.00%
Average		\$1,547,525	

Following are all of the Franchised Restaurants that have been either built ground-up facilities using WSC's prototype building or have spent in excess of \$150,000 in remodeling using all or part of WSC's specifications during the last five years:

Sales Range	Number of Franchised Restaurants	Percentage of Franchised Restaurants	Percent of Sales Distribution
\$3,000,000 and over	5	20.00%	33.53%
\$2,500,000 to \$3,000,000	3	12.00%	14.46%
\$2,000,000 to \$2,500,000	6	24.00%	25.18%
\$1,750,000 to \$2,000,000	2	8.00%	6.74%
\$1,500,000 to \$1,750,000	0	0.00%	0.00%
\$1,250,000 to \$1,500,000	5	20.00%	12.10%
\$1,000,000 to \$1,250,000	4	16.00%	7.98%
\$750,000 to \$1,000,000	0	0.00%	0.00%
\$500,000 to \$750,000	0	0.00%	0.00%
Under \$500,000	0	0.00%	0.00%
Total	25	100.00%	100.00%
Average		\$2,239,104	

Following are all of the Franchised Restaurants that were operating for the entire year of 2003 that were not new ground up locations that were not new ground up locations or did not spend \$150,000 in remodeling in the last five years:

Sales Range	Number of Franchised Restaurants	Percentage of Franchised Restaurants	Percent of Sales Distribution
\$3,000,000 and over	0	0.00%	0.00%
\$2,500,000 to \$3,000,000	3	2.80%	5.52%
\$2,000,000 to \$2,500,000	11	10.28%	16.31%
\$1,750,000 to \$2,000,000	14	13.08%	17.43%

\$1,500,000 to \$1,750,000	14	13.08%	14.97%
\$1,250,000 to \$1,500,000	18	16.82%	16.52%
\$1,000,000 to \$1,250,000	20	18.69%	14.58%
\$750,000 to \$1,000,000	18	16.82%	10.89%
\$500,000 to \$750,000	7	6.54%	3.20%
Under \$500,000	2	1.87%	0.56%
Total	107	100.00%	100.00%
Average		\$1,385,941	

To further assist you in analyzing the earnings and operating costs involved with Western Sizzlin's Grill Buffet and Great American Buffet Restaurants, the following information was taken from our five company operated Great American Buffer Restaurants that operated during the entire year of 2005. These figures are taken from company-operated locations and certain variations may apply to franchise-operated locations"

	Top 2 Stores	Middle Store	Lowest 2 Stores
Average Sales	\$3,258,251	\$2,815,035	\$1,995,694
Cost of Food	39.45%	35.99%	38.48%
Labor Expense	28.88%	27.53%	29.75%
Operating Expenses	11.24%	10.11%	12.14%
Operating Income	20.42%	26.36%	19.63%

SALES mean the food and beverage sales of the restaurant.

COST OF FOOD means the cost of food and beverages sold.

LABOR EXPENSE means management salaries and hourly wages, worker's compensation, health insurance, FICA, state and federal unemployment taxes.

OPERATING EXPENSES do not include capital expenses such as (but not limited to) land, building and/or equipment, debt service, depreciation, advertising, administrative expenses such as accounting or legal expenses, taxes, licenses or insurance. These expenses do not include (i) royalties on Gross Sales which is payable by a franchisee; (ii) the cost of any additional supervisory personnel; or (iii) any expenses for transportation, room and board for attending training refresher courses.

OPERATING INCOME represents income before depreciation, amortization, royalties, rent, interest, corporate general and administrative expense allocations and income taxes.