As filed with the Securities and Exchange Commission on August 5, 2011

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
under
The Securities Act of 1933

Chuy's Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**5812**	**20-5717694**
(State or other jurisdiction of incorporation or organization)	(Primary Standard industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1623 Toomey Rd.
Austin, Texas 78704
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Steven J. Hislop
President and Chief Executive Officer
Chuy's Holdings, Inc.
1623 Toomey Road
Austin, Texas 78704
(512) 473-2783
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐

Non-accelerated filer ☑ (Do not check if a smaller reporting company) Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)(2)	AMOUNT OF REGISTRATION FEE
Common Stock, $0.01 par value per share	$75,000,000	$8,707.50

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes shares of common stock that may be sold pursuant to the underwriter's overallotment option.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this preliminary prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not a soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 5, 2011

PRELIMINARY PROSPECTUS

Shares

Chuy's Holdings, Inc.

Common Stock

We are offering shares of our common stock and the selling stockholders identified in this prospectus are offering shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. This is our initial public offering and, prior to this offering, there has been no public market for our common stock. We expect the initial public offering price to be between $ and $ per share. We intend to apply to list our common stock on under the symbol " ."

Investing in our common stock involves a high degree of risk. Please read " Risk Factors" beginning on page 14 of this prospectus.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	$	$
Underwriting Discounts and Commissions		
Proceeds to Chuy's Holdings, Inc., before expenses		
Proceeds to Selling Stockholders, before expenses		

Delivery of the shares of common stock is expected to be made on or about , 2011. The selling stockholders have granted the underwriters an option for a period of 30 days to purchase an additional shares of our common stock to cover over-allotments. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by the selling stockholders will be $ and the total proceeds to the selling stockholders, before expenses, will be $.

Jefferies **Baird**

Prospectus dated , 2011

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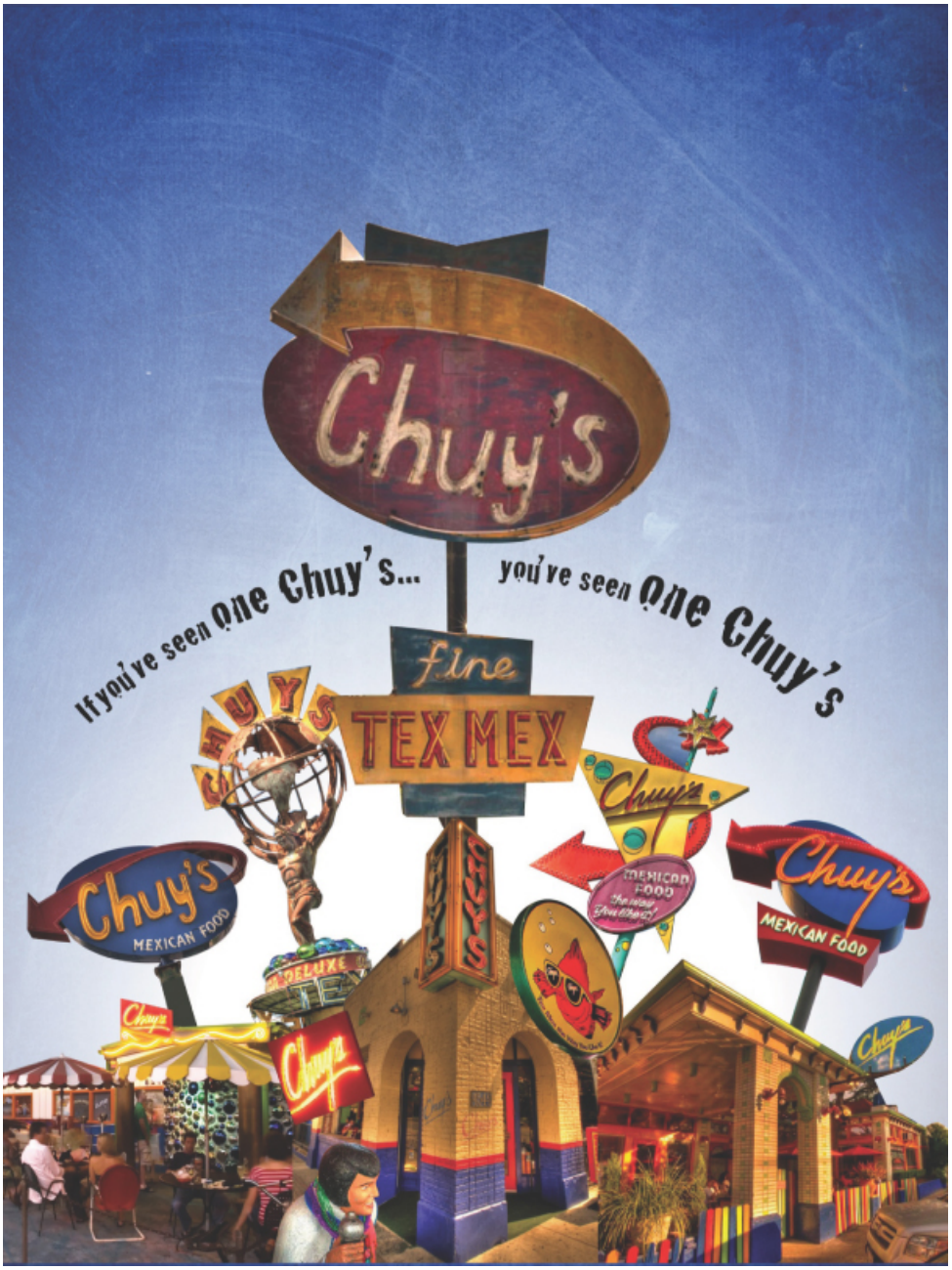

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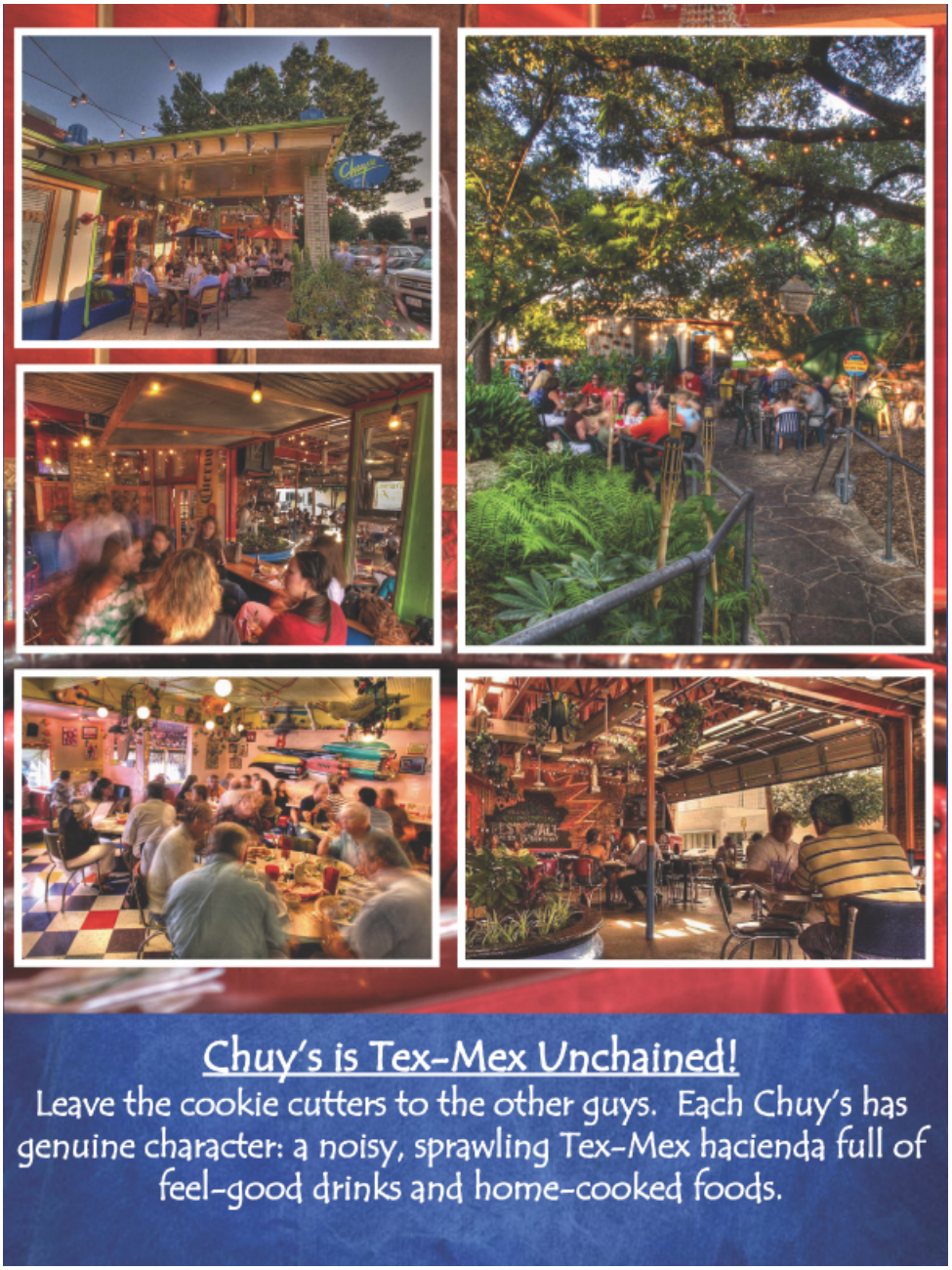

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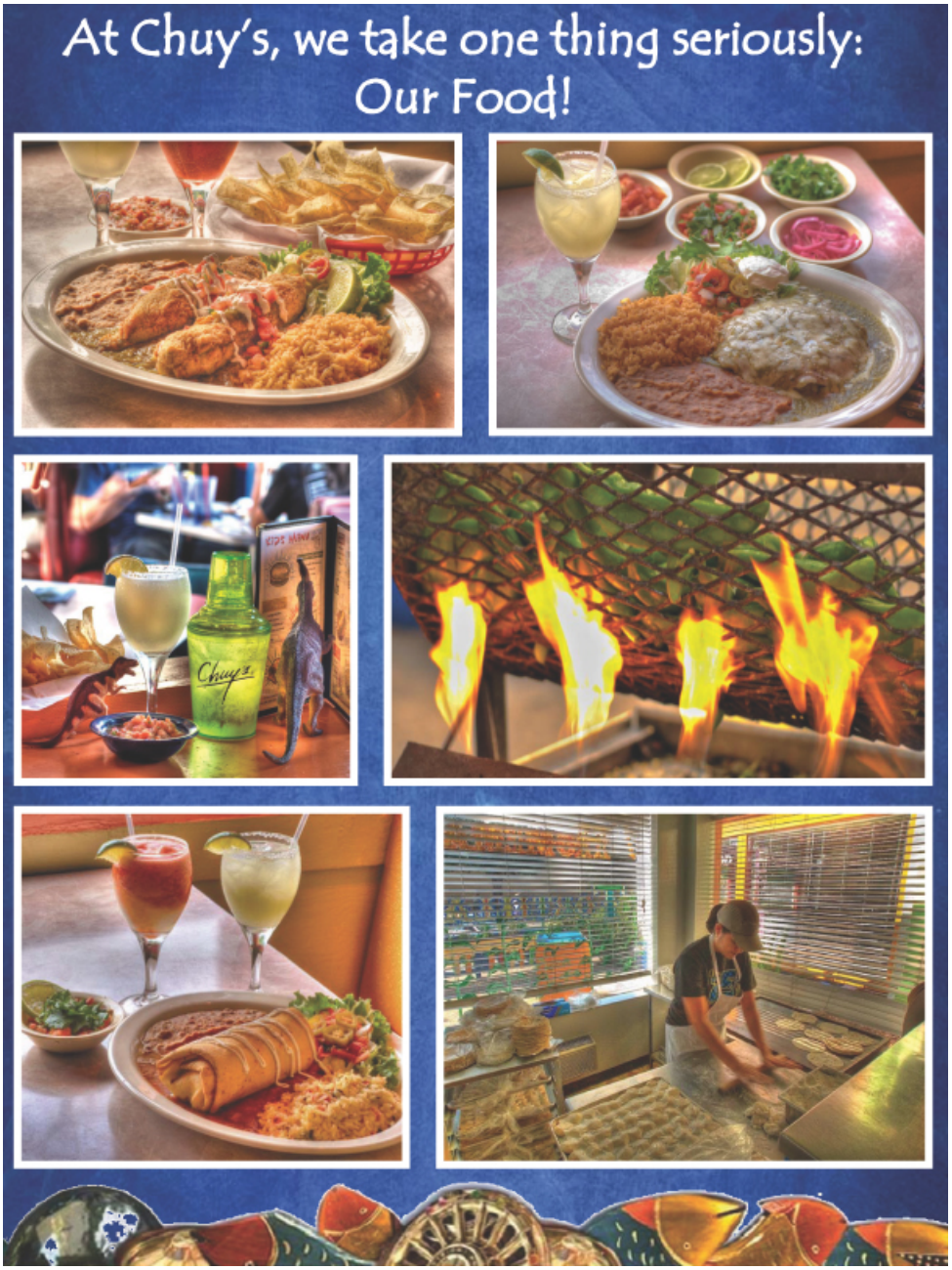

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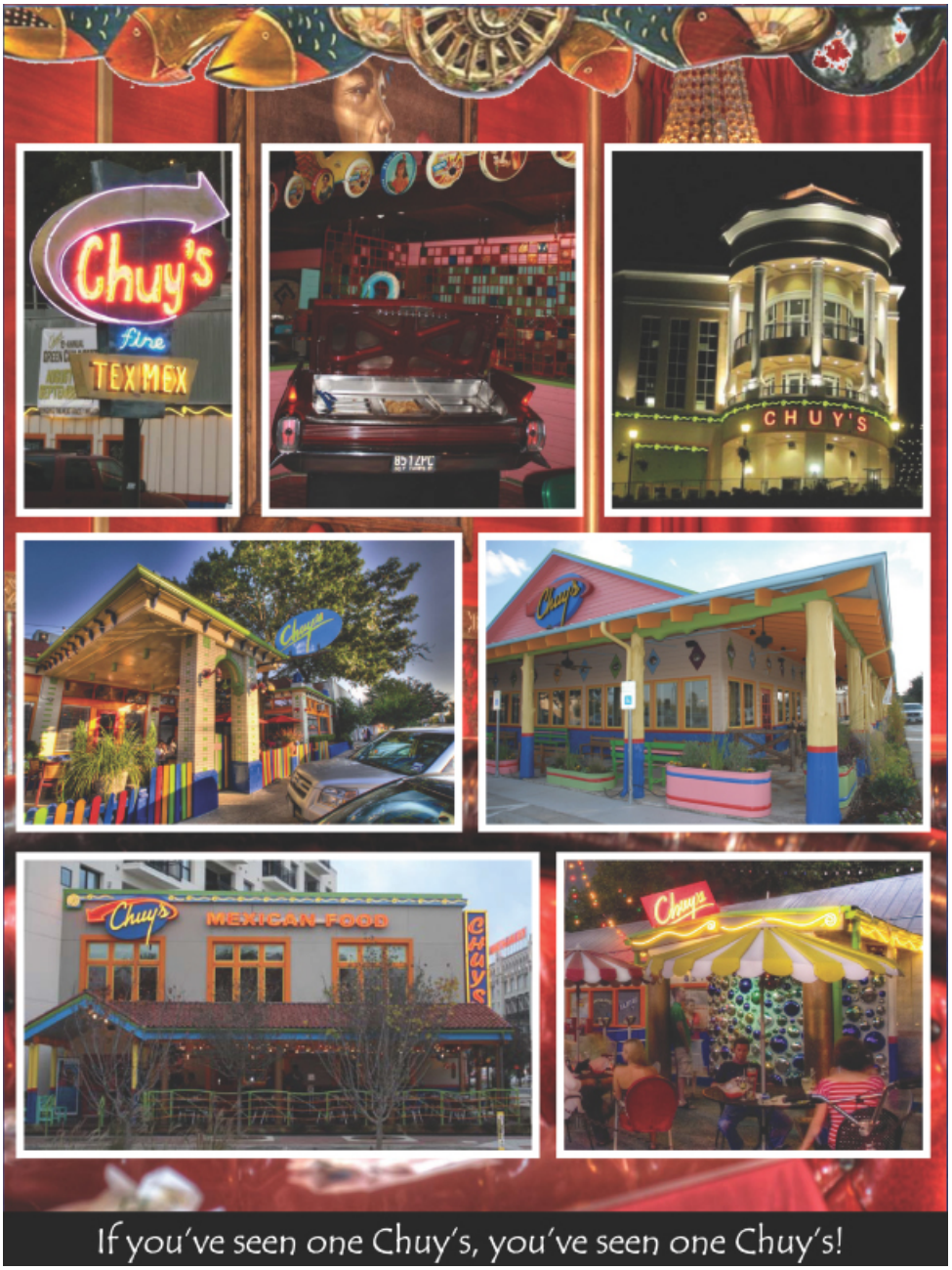

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Until , 2011 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus or in any free writing prospectus that we authorize to be distributed to you. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. This document may only be used where it is legal to sell these securities. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus.

Basis of Presentation

We operate on a 52- or 53-week fiscal year that ends on the last Sunday of the calendar year. Each quarterly period has 13 weeks, except for a 53-week year when the fourth quarter has 14 weeks. Our 2008, 2009 and 2010 fiscal years each consisted of 52 weeks. Fiscal years are identified in this prospectus according to the calendar year in which the fiscal year ends. For example, references to "2010," "fiscal 2010," "fiscal year 2010" or similar references refer to the fiscal year ending December 26, 2010.

References to comparable restaurants in this prospectus include restaurants operating in and following the first full quarter following the 18th month of operations.

The information presented in this prospectus assumes (1) an initial public offering price of $ per share of common stock, which is the midpoint of the estimated range of the price set forth on the cover page of this prospectus, and (2) that the underwriters will not exercise their overallotment option. Unless otherwise indicated, all references to "dollars" and "$" in this prospectus are to, and amounts are presented in, U.S. dollars.

Unless otherwise specified or the context otherwise requires, the references in this prospectus to "our company," "the Company," "us," "we" and "our" refer to Chuy's Holdings, Inc. together with its subsidiaries.

Unless otherwise indicated or the context otherwise requires, financial and operating data in this prospectus reflects the consolidated business and operations of Chuy's Holdings, Inc. and its wholly owned subsidiaries.

Industry and Market Data

This prospectus includes industry and market data that we derived from internal company records, publicly available information and industry publications and surveys. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. We believe this data is accurate in all material respects as of the date of this prospectus. You should carefully consider the inherent risks and uncertainties associated with the industry and market data contained in this prospectus.

Trademarks and Copyrights

We own or have rights to trademarks or trade names that we use in connection with the operation of our business, including our corporate names, logos and website names. In addition, we own or have the rights to copyrights, trade secrets and other proprietary rights that protect the content of our products and the formulations for such products. Solely for convenience, some of the trademarks, trade names and copyrights referred to in this prospectus are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our copyrights, trademarks and trade names.

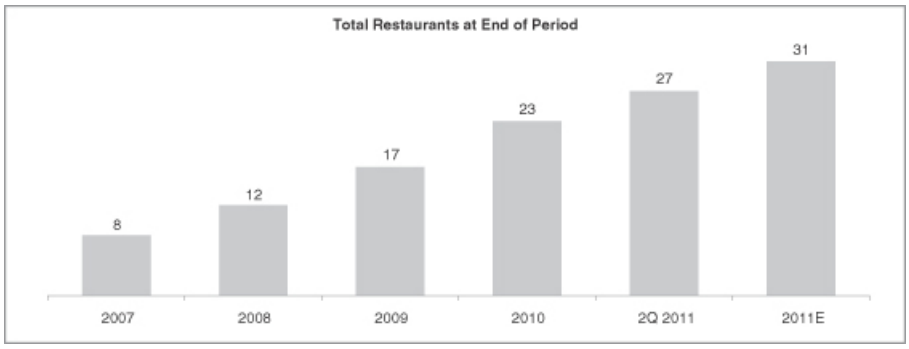
PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and the consolidated financial statements and the related notes to those statements included elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our common shares. You should read this prospectus carefully, including the section entitled "Risk Factors" and the consolidated financial statements and the related notes to those statements included elsewhere in this prospectus.

Business Overview

Chuy's is a fast-growing, value-driven, full-service restaurant concept offering a distinct menu of authentic, high-quality Mexican food. We were founded in Austin, Texas in 1982 by Mike Young and John Zapp and, as of June 26, 2011, we operated 27 Chuy's restaurants across Texas, Tennessee, Kentucky, Alabama and Indiana, with an average unit volume of $5.0 million for our comparable restaurants for the twelve months ended March 27, 2011. Our restaurants have a common décor, but each location is unique in format, offering an "unchained" look and feel, as expressed by our motto "If you've seen one Chuy's, you've seen one Chuy's!" Our restaurants have an upbeat, funky, eclectic, somewhat irreverent atmosphere while still maintaining a family-friendly environment. We are committed to providing value to our guests through offering large portions of made-from-scratch, flavorful Tex Mex inspired dishes using fresh, high-quality ingredients. Our employees are a key element of our culture and set the tone for a fun, family-friendly atmosphere with personalized service. We believe the inimitable Chuy's culture is one of our most valuable assets, and we are committed to preserving and continually investing in our culture and our guests' restaurant experience.

We have successfully grown the total number of Chuy's restaurants from eight locations as of December 31, 2007 to 27 locations as of June 26, 2011. In the first half of 2011, we opened four restaurants and plan to open an additional four by the end of the year, representing a compound annual growth rate of 40.3% since year-end 2007. From fiscal year 2007 to the twelve months ended March 27, 2011, our annual revenue increased from $42.1 million to $103.7 million, Adjusted EBITDA increased from $5.7 million to $15.0 million and our income from operations increased from $2.0 million to $9.3 million, representing compounded annual growth rates of 32.1%, 34.9% and 60.8%, respectively. For a reconciliation of Adjusted EBITDA, a non-GAAP term, to income from operations, see footnote 4 to "—Summary Historical Financial and Operating Data." Our change in comparable restaurant sales has outperformed the KNAPP-TRACK™ index of casual dining restaurants for each of the last five years. In our most recent quarterly period ended March 27, 2011, comparable restaurant sales increased 6.7% over the same period from the prior year. We believe that the broad appeal of our concept and our compelling restaurant model provide us with significant opportunities for continued profitable growth.



Our imaginative core menu was established using authentic recipes from family and friends of our founders, and has remained relatively unchanged over the years. We offer the same menu during lunch and dinner, which includes enchiladas, fajitas, tacos, burritos, combination platters and daily specials, complemented by a variety of appetizers, soups and salads. Each of our restaurants also offers a variety of authentic, flavorful, homemade sauces, including the signature Hatch green chile and creamy jalapeño sauces, all of which we make from scratch daily in each restaurant using high-quality ingredients. These sauces are a key element of our offering and provide our customers with an added ability to customize their orders. Our menu offers significant value to our guests, with only three out of 49 menu items priced over $10.00. We also offer a full-service bar in all of our restaurants providing our guests a variety of value-oriented beverage offerings. We feature a distinctive selection of specialty cocktails including our signature on-the-rocks margaritas made with fresh, hand-squeezed lime juice and the Texas Martini, a made-to-order, hand-shaken cocktail served with special jalapeño-stuffed olives. The bar represents an important aspect of our concept, where guests frequently gather prior to being seated. For the twelve months ended March 27, 2011, alcoholic beverages constituted 19.8% of our total restaurant sales.

We strive to create a unique and memorable customer experience at each of our locations. While the layout in each of our restaurants varies, we maintain distinguishable elements across our locations, including hand-carved, hand-painted wooden fish imported from Mexico, a variety of vibrant Mexican folk art, a “Nacho Car” that provides complimentary chips, salsa and chile con queso in the trunk of a classic car, vintage hubcaps hanging from the ceiling, colorful hand-made floor and wall tile and festive metal palm trees. Our restaurants range in size from 5,300 to 12,500 square feet, with average seating for approximately 300 guests. Nearly all of our restaurants feature outdoor patios. Additionally, our flexible seating arrangements allow us to cater to families and parties of all sizes, a key differentiator for us versus casual dining operators. Our brand strategy of having an “unchained” look and feel allows our restaurants to establish their own identity and provides us with a flexible real estate model. Our site selection process is focused on conversions of existing restaurants as well as new ground-up prototypes in high-quality locations. Our restaurants are open for lunch and dinner seven days a week. We serve approximately 7,500 customers per location per week or 400,000 customers per location per year, on average, by providing high-quality, freshly prepared food at a competitive, compelling price point. We believe that many of Chuy’s guests visit one of our restaurants multiple times per week.

Our Business Strengths

Over our 29-year operating history, we have developed and refined the following strengths:

Fresh, Authentic Mexican Cuisine. Our goal is to provide unique, authentic Mexican food using only the freshest ingredients. Every day in each restaurant, we roast and hand pull whole chickens, hand roll fresh tortillas, squeeze fresh lime juice and prepare fresh guacamole from whole avocados. In addition, we make all nine to eleven of our authentic, flavorful, homemade sauces daily using high-quality ingredients. This commitment to made-from-scratch, freshly prepared cooking results in great tasting, high-quality food, a sense of pride among our restaurant employees and loyalty among our guests. Some of our kitchen managers travel to Hatch, New Mexico every summer to hand-select batches of our iconic green chiles. Our commitment to serving the highest quality food is also evidenced by us serving only Choice quality beef. Our culture revolves around freshly-prepared food, as there are no walk-in freezers in our prototype kitchens. We believe our servers and kitchen staff are highly proficient in executing the core menu and capable of satisfying large quantities of custom orders, as the majority of our orders are customized. Additionally, we believe our superior, “crave-able” food offering is the core of our concept and has differentiated us from our competitors.

Exceptional Dining Value with Broad Customer Appeal. We are committed to providing value to our guests through offering large portions of flavorful Tex Mex inspired dishes using fresh, high-quality ingredients. We believe our menu offers a considerable value proposition to our guests, with only three out of our 49 menu items priced over $10.00. For the twelve months ended March 27, 2011, our average check was $12.90, which we believe is lower than all of our primary competitors. We empower our employees to make sure that each plate is prepared according to our presentation and recipe standards.

Although our core demographic is ages 21 to 44, we believe our restaurants appeal to a broad spectrum of customers and will continue to benefit from trends in consumers' preferences. We believe consumers are craving bold, "high taste profile" foods, like those featured in our core offering. Additionally, we believe our brand appeals to a wide demographic and will continue to benefit from the growing demand for fresh, authentic Mexican food and a fun, festive dining experience. We are also a popular venue for families and other large parties, and consider many of our restaurants to be destination locations, drawing customers from as far as 30 miles away. We locate our restaurants in high-traffic locations to attract primarily local patrons with limited reliance on business travelers.

Upbeat Atmosphere Coupled with Appealing, Irreverent Brand Helps Differentiate Concept. As stated in our motto "If you've seen one Chuy's, you've seen one Chuy's!" each of our restaurants is uniquely designed. However, most share a few common elements – hand-carved, hand-painted wooden fish, hubcaps hanging from the ceiling, colorful hand-made floor and wall tile, palm trees crafted from scrap metal and a variety of colorful Mexican folk art. Much of this décor, including all of the wooden fish and painted tiles, is sourced from vendors in Mexican villages that have partnered with us for decades. Additionally, virtually all restaurants feature a complimentary self-serve "Nacho Car," a hollowed-out, customized classic car trunk filled with fresh chips, salsa and chile con queso.

Combined with the personalized service from our friendly and energetic employees, these signature elements create an upbeat feeling with a funky, eclectic and somewhat irreverent atmosphere. Our restaurants feature a fun mix of rock and roll rather than traditional Mexican-style music, helping to provide an energetic guest experience. We also believe that each restaurant reflects the character and history of its individual community. Many of our restaurants have added unique, local elements such as a special wall of photos featuring customers with their friends, families and dogs. This has allowed our customers to develop a strong sense of pride and ownership in their local Chuy's.

Deep Rooted and Inspiring Company Culture. We believe the inimitable Chuy's culture is one of our most valuable assets, and we are committed to preserving and continually investing in our culture and restaurant experience. Since our founding in 1982, we have developed close personal relationships with our guests, employees and vendor-partners. We emphasize a fun, passionate and authentic culture and support active social responsibility and involvement in local communities. We regularly sponsor a variety of community events including our annual *Chuy's Children Giving to Children Parade*, *Chuy's Hot to Trot 5K* and other local charitable events. We believe the uniqueness of the Chuy's experience has created a "cult-like following" which includes our dedicated employees and devoted customers. We believe our employees and guests share an energy and passion for our concept that differentiates us in the restaurant industry. This is evidenced by our low annual turnover rate, which as of June 26, 2011 was 9.2% for managers and 47.2% for hourly employees, and our goal of promoting 40% of restaurant-level managers from within, as well as our solid base of repeat guests.

In order to retain our unique culture as we grow, we invest significant time and capital into our training programs. We devote substantial resources to identifying, selecting and training our restaurant-level employees. We typically have ten in-store trainers at each existing location who provide both front- and back-of-the-house training on site. We also have an approximately 20-week training program for all of our restaurant managers, which includes eight weeks of "cultural" training, in which managers observe our established restaurants' operations and customer interactions. We believe our focus on cultural training is a core aspect of our company and reinforces our commitment to the Chuy's brand identity. In conjunction with our training activities, we hold "Culture Clubs" four or more times per year, as a means to fully impart the Chuy's story through personal appearances by our founders Mike Young and John Zapp.

Proven, Flexible Business Model with Industry Leading Unit Economics. We have a long standing track record of consistently producing high average unit volumes relative to competing Mexican concepts, as well as established casual dining restaurants. For the twelve months ended March 27, 2011, our comparable restaurants generated average unit volumes of $5.0 million, with our highest volume restaurant generating $7.2 million. We maintain strong Restaurant-Level EBITDA margins at our comparable restaurants, which for

the twelve months ended March 27, 2011 represented 21.8% of revenues. For a reconciliation of Restaurant-Level EBITDA, a non-GAAP term, to income from operations, see footnote 4 to "—Summary Historical Financial and Operating Data." We have successfully opened and operated restaurants in Texas, the Southeast and the Midwest and achieved attractive rates of return on our invested capital, providing a strong foundation for expansion in both new and existing markets. Under our investment model, our new restaurant openings have historically required a net cash investment of approximately $1.7 million. We target a cash-on-cash return beginning in the third operating year of 40.0%, and a sales to investment ratio of 2:1 for our new restaurants. On average, returns on units opened since 2008 have exceeded these target returns in the second year of operations.

Seasoned Management Team with Significant Operational Experience and Proven Track Record. We are led by a strong management team with extensive experience in all aspects of restaurant operations. Our senior management team has an average tenure of approximately 15 years and our 27 general managers have an average tenure of more than eight years. In 2007, we hired our CEO and President, Steve Hislop. Mr. Hislop is the former President of O'Charley's Restaurants, where he spent 19 years performing a variety of functions, including serving as Concept President and a member of the board of directors, and helped grow the business from 12 restaurants to a multi-concept company with 347 restaurants during his tenure. Since Mr. Hislop's arrival in 2007, we have accelerated our growth plan and successfully opened 19 new restaurants, as of June 26, 2011, and entered six new markets.

Our Business Strategies

Pursue New Restaurant Development. We will continue to pursue a disciplined growth strategy in both established and adjacent markets across Texas, the Southeast and the Midwest where we believe we can achieve high unit volumes and attractive unit level returns. We believe the broad appeal of the Chuy's concept, strong unit economics and flexible real estate strategy enhance the portability of our concept and provide us significant opportunity for expansion. Our new restaurant development will consist primarily of conversions of existing structures, with select new unit builds in highly attractive and prime locations.

We have built a scalable infrastructure and have successfully grown our restaurant base through a challenging economic environment. In 2009, we opened five new restaurants, including our first restaurant outside of Texas in Nashville, Tennessee, as well as our first small market restaurant in Waco, Texas. In 2010, we opened six new restaurants including three locations outside of Texas: Murfreesboro, Tennessee; Birmingham, Alabama; and Louisville, Kentucky. Each of these restaurants opened at high unit volumes with attractive returns and provides us a platform to continue our growth. In 2011, we opened four new restaurants in the first half of the year, including our first restaurant in Indiana, and we plan to open four additional new restaurants by the end of the year. Further, we expect to open an additional 35 to 40 new restaurants over the next five years.

Leverage Scalable Infrastructure and Increase Our Margins . In preparation for our new restaurant development plan, we have made significant investments in infrastructure over the past several years. We believe we now have the corporate and supervisory personnel in place to support our growth plan for the foreseeable future. We believe that as the restaurant base grows, our general and administrative costs will increase at a slower growth rate than our revenue. Additionally, we foresee relatively minimal increases in marketing spend as we enter new markets, as the majority of our marketing is done through non-traditional channels such as community events, charity sponsorships, social media and word-of-mouth from our devoted followers, as well as partnerships with local public relations firms.

Deliver Consistent Comparable Restaurant Sales Through Providing High-Quality Food and Service . We believe we will be able to generate comparable restaurant sales growth by consistently providing an attractive price/value proposition for our guests with excellent service in an upbeat atmosphere. We will remain focused on delivering freshly prepared, authentic, high-quality Mexican cuisine at a significant value to our guests. Though the core menu will remain unchanged, we will continue to explore potential additions as well as limited time food and drink offerings. Additionally, we will continue to promote our brand while protecting the unique culture that defines the Chuy's experience. Grassroots marketing efforts, such as local "Redfish Rallies," "Elvis

sightings" and charity events, as well as our line of eclectic t-shirts, will assist us in building the Chuy's brand and driving traffic in our restaurants.

Additionally, we prioritize customer service in our restaurants, and will continue to invest significantly in ongoing training of our employees. In addition to our new manager training program and at least quarterly "Culture Clubs," 20 to 24 of our trainers are dispatched to open new restaurants and ensure a solid foundation of guest service, food preparation and our cultured environment. We believe these initiatives will help enhance guest satisfaction, minimize wait times and help us serve our guests more efficiently during peak periods, which we believe is particularly important at our restaurants that operate at or near capacity.

Refinancing Transactions

On May 24, 2011, we entered into a $67.5 million senior secured credit facility. All borrowings from our previous credit agreements were retired with the proceeds from this new senior secured credit facility. We used the proceeds from the new senior secured credit facility to, among other things, pay a special dividend totaling approximately $19.0 million on all outstanding shares of our common stock and preferred stock. We refer to the new senior secured credit facility and related transactions as the "Refinancing Transactions." See "Description of Indebtedness."

Our History

We were founded in Austin, Texas in 1982 by Michael Young and John Zapp. Our company was incorporated in November 2006 in connection with the majority investment in our company by Goode Partners LLC, which we refer to as our Sponsor. As a result of the investment, Goode Chuy's Holdings, LLC, an affiliate of Goode Partners LLC became our controlling stockholder.

Our Principal Stockholders

Upon the completion of this offering, Goode Chuy's Holdings, LLC, our controlling stockholder, and its affiliates and Mike Young and John Zapp, our founders, are expected to own approximately %, and %, respectively, of our outstanding common stock, or %, and %, respectively, if the underwriters' option to purchase additional shares is fully exercised. As a result, our controlling stockholder and our founders will be able to exert significant voting influence over fundamental and significant corporate matters and transactions. See "Risk Factors—Our Sponsor will continue to have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of key transactions, including a change of control. Our founders may also continue to exert significant influence over us."

Goode Partners LLC is a New York based private equity firm with a $225.0 million fund. Our Sponsor strives to create significant stockholder value by bringing a combination of operational and financial resources into active partnership with the owners and management teams of high-growth potential, consumer-oriented companies. They invest primarily in the consumer sector, specifically consumer brands and services, retail, restaurants and direct marketing/selling.

Risk Factors

Before you invest in our stock, you should carefully consider all of the information in this prospectus, including matters set forth under the heading "Risk Factors." Risks relating to our business include, among others, that our financial results depend significantly upon the success of our existing and new restaurants and our long-term success is highly dependent on our ability to successfully develop and expand our operations.

Company Information

Our principal executive office is located at 1623 Toomey Road, Austin, Texas 78704 and our telephone number is 1-888-HEY-CHUY. Our website address is *www.chuys.com*. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

THE OFFERING

Shares of common stock offered by us	shares.
Shares of common stock offered by the selling stockholders	shares, or shares if the underwriters exercise their over-allotment option in full.
Over-allotment option	The selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock to cover overallotments.
Ownership after offering	Upon completion of this offering, our executive officers, directors and affiliated entities will own approximately % of our outstanding common stock, or % if the underwriters exercise their over-allotment option in full, and will as a result have significant control over our affairs.
Common stock to be outstanding after this offering	shares.
Use of proceeds	We estimate that we will receive net proceeds from the sale of shares of our common stock in this offering of $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, assuming an initial public offering price of $ per share, the midpoint of the range set forth on the cover of this prospectus. We intend to use the net proceeds of this offering, to: ■ make a mandatory prepayment of $ to the outstanding balance under our term A loan and to pay the Libor funding breakage costs under our new senior credit facility that we entered into on May 24, 2011; and ■ pay a fee of $2.0 million to terminate our advisory agreement with our Sponsor. Any remaining net proceeds will be used for working capital and general corporate purposes. We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders. See “Use of Proceeds” and “Principal and Selling Stockholders.”
Dividend policy	We did not declare or pay any dividends on our common stock during fiscal years 2009 and 2010. We declared and paid a one-time dividend of $0.6347 per share on shares of our common stock and our series A preferred stock, series B preferred stock and series X preferred stock during May 2011, totaling $19.0 million. See “Dividend Policy.”

	We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements and such other factors as our board of directors deems relevant. In addition, our new senior secured credit facility restricts our ability to pay dividends. See “Description of Indebtedness.”
Risk factors	Investment in our common stock involves substantial risks. You should read this prospectus carefully, including the section entitled “Risk Factors” and the consolidated financial statements and the related notes to those statements included elsewhere in this prospectus before investing in our common stock.

Without giving effect to the conversion of our series A preferred stock, our series B preferred stock and our series X preferred stock or our : reverse stock split expected to occur prior to the consummation of this offering, the number of shares of our common stock to be outstanding after this offering is based on shares of common stock outstanding as of , 2011 and excludes 2,729,959 shares of our common stock issuable upon exercise of outstanding options under our 2006 Stock Option Plan at a weighted average exercise price of $1.62 per share. See “Compensation Discussion and Analysis—2006 Stock Option Plan.”

Unless otherwise noted, all information in this prospectus:

- assumes that the underwriters do not exercise their over-allotment option; and
- other than historical financial information, reflects (1) the amendment and restatement of our certificate of incorporation to give effect to a : reverse stock split of our outstanding common stock and (2) the exchange of all shares of our issued and outstanding series A preferred stock, series B preferred stock and series X preferred stock for 29,398,538 pre-stock split shares of common stock at an exchange ratio of 1:1 immediately prior to the consummation of this offering.

SUMMARY HISTORICAL FINANCIAL AND OPERATING DATA

The following table sets forth, for the periods and dates indicated, our summary historical financial and operating data. We have derived the statement of operations data for the fiscal years ended December 28, 2008, December 27, 2009 and December 26, 2010 from our audited consolidated financial statements appearing elsewhere in this prospectus. We have derived the statement of operations data for the thirteen weeks ended March 28, 2010 and March 27, 2011 and balance sheet data as of March 27, 2011 from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus. You should read this information in conjunction with "Use of Proceeds," "Capitalization," "Selected Historical Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes to those statements included elsewhere in this prospectus.

	YEAR ENDED [1]			THIRTEEN WEEKS ENDED	
	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
	(Dollars in thousands, except per share data)				
Statement of Operations Data:					
Revenue	$ 51,868	$ 69,394	$ 94,908	$ 20,374	$ 29,209
Cost of Sales	15,833	20,120	28,096	6,050	8,843
Labor	14,956	21,186	30,394	6,537	9,191
Operating	6,587	8,558	11,822	2,506	3,520
Occupancy	3,248	4,314	5,654	1,257	1,687
General and administrative	6,342	4,617	5,293	1,252	1,453
Marketing	389	533	655	157	220
Restaurant pre-opening	867	1,673	1,959	340	668
Depreciation and amortization	785	1,549	2,732	592	925
Total costs and expenses	49,007	62,550	86,605	18,691	26,507
Income from operations	2,861	6,844	8,303	1,683	2,702
Interest expense	2,823	3,114	3,584	913	889
Income before income taxes	38	3,730	4,719	770	1,813
Income tax provision (benefit)	(113)	1,077	1,428	242	549
Net income	$ 151	$ 2,653	$ 3,291	$ 528	$ 1,264
Per Share Data: [2]					
Basic net income per share	$ 0.01	$ 0.09	$ 0.11	$ 0.02	$ 0.04
Diluted net income per share	$ 0.01	$ 0.09	$ 0.11	$ 0.02	$ 0.04
Weighted average common stock outstanding					
Basic	28,002,222	28,070,400	29,179,571	28,094,388	29,866,954
Diluted	28,847,589	29,346,847	30,730,772	29,507,339	31,589,160
Pro Forma Per Share Data: [3]					
Basic net income per share			$		$
Diluted net income per share			$		$
Weighted average common stock outstanding					
Basic					
Diluted					

	YEAR ENDED [1]			THIRTEEN WEEKS ENDED	
	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
	(Dollars in thousands, except per share data)				
Other Financial Data:					
Net cash provided by operating activities	$ 3,111	$ 6,292	$ 11,752	$ 979	$ 4,367
Net cash used in investing activities	$ (6,287)	$ (15,588)	$ (16,646)	$ (2,060)	$ (4,914)
Net cash provided by financing activities	$ 4,030	$ 9,750	$ 6,169	$ 813	$ 107
Capital expenditures	$ 6,029	$ 15,395	$ 16,370	$ 1,996	$ 4,840
Restaurant-Level EBITDA [4]	$ 10,855	$ 14,683	$ 18,287	$ 3,867	$ 5,748
Restaurant-Level EBITDA margin [4]	20.9%	21.2%	19.3%	19.0%	19.7%
Adjusted EBITDA [4]	$ 7,321	$ 10,349	$ 13,369	$ 2,709	$ 4,389
Adjusted EBITDA margin [4]	14.1%	14.9%	14.1%	13.3%	15.0%
Operating Data:					
Total restaurants (at end of period)	12	17	23	18	24
Total comparable restaurants (at end of period)	8	8	13	10	14
Average sales per comparable restaurant [5]	$ 5,400	$ 5,292	$ 4,985	$ 1,257	$ 1,261
Change in comparable restaurant sales [5]	2.9%	(2.0)%	0.7%	(2.9)%	6.7%
Average check [6]	$ 12.66	$ 12.77	$ 12.74	$ 12.73	$ 12.89

	ACTUAL AS OF MARCH 27, 2011	PRO FORMA AS OF MARCH 27, 2011 [7]
Balance Sheet Data (at end of period):		
Cash and cash equivalents	$ 2,897	$
Working capital (deficit)	(1,128)	
Total assets	89,700	
Total debt	30,839	
Total shareholders' equity	42,330	

(1) We utilize a 52- or 53-week accounting period which ends on the Sunday immediately preceding December 31. The fiscal years ended December 26, 2010, December 27, 2009 and December 28, 2008 had 52 weeks.

(2) Gives effect to the conversion of our series A preferred stock, series B preferred stock and series X preferred stock to common stock prior to the consummation of this offering, assuming such conversion on the first day of the period presented.

(3) Pro forma data gives effect to (i) the Refinancing Transactions, (ii) the conversion of our series A preferred stock, series B preferred stock and series X preferred stock into 29,398,538 pre-stock split shares of common stock prior to the consummation of this offering, (iii) the -for- reverse stock split of our common stock prior to the consummation of this offering, (iv) the shares of our common stock to be issued by us in this offering at an initial public offering price of $ per share, the midpoint of the range set forth on the cover of this prospectus, and (v) the use of proceeds therefrom, as if each of these events occurred on December 27, 2009. Pro forma basic net income per share consists of pro forma net income divided by the pro forma basic weighted average common stock outstanding. Pro forma diluted net income per share consists of pro forma net income divided by the pro forma diluted weighted average common stock outstanding.

Pro forma net income per share reflects: (i) the elimination of the annual management fee to our Sponsor and reimbursement of our Sponsor's out-of-pocket expenses, (ii) decreases in interest expense resulting from the prepayment of outstanding loans under our new senior secured credit facility with the net proceeds of this offering, as described in "Use of Proceeds" and (iii) increases in income tax expense due to higher income before income taxes resulting from the elimination of the annual management fee as a result of the termination of the advisory agreement with our Sponsor described in (i) above and a decrease in interest expense as a result of our prepayments of loans under our new senior secured credit facility as described in (ii) above.

Pro forma data does not give effect to (i) the termination fee of $2.0 million to be paid to our Sponsor upon consummation of this offering, (ii) the write-off of deferred financing fees of $ million in connection with the use of the proceeds from this offering and (iii) a $ million charge resulting from the acceleration of vesting of stock options of our Chief Executive Officer as a result of this offering.

The following is a reconciliation of historical net income to pro forma net income for year ended December 26, 2010 and the thirteen weeks ended March 27, 2011:

	YEAR ENDED DECEMBER 26, 2010	THIRTEEN WEEKS ENDED MARCH 27, 2011
Net income	$	$
Management fees and expenses [a]		
Decrease in interest expense [b]		
Increase in income tax expense [c]		
Pro forma net income	$	$
Weighted average common stock outstanding		
Basic		
Diluted		
Pro forma Basic net income per share		
Pro forma Diluted net income per share		

(a) On November 7, 2006, in connection with our Sponsor's investment, we entered into an advisory agreement with our Sponsor, pursuant to which our Sponsor agreed to provide us with certain financial advisory services. In exchange for these services, we pay our Sponsor an aggregate annual management fee equal to $350,000, and we reimburse our Sponsor for out-of-pocket expenses incurred in connection with the provision of services. Upon the completion of this offering, we and our Sponsor have agreed to terminate the advisory agreement in exchange for a termination fee of $2.0 million.

(b) Reflects adjustments to interest expense resulting from the Refinancing Transactions and our prepayment, with the net proceeds of this offering of $ million of aggregate principal amount of outstanding loans under our new senior secured credit facility.

(c) Reflects adjustments to historical income tax expense to reflect increases in income tax expense due to higher income before income taxes resulting from a decrease in management fees and expenses as a result of termination of the advisory agreement with our Sponsor as described in (a) above and a decrease in interest expense as a result of our prepayment of loans under our new senior secured credit facility as described in (b) above.

The following is a reconciliation of historical interest expense to pro forma interest expense for the year ended December 26, 2010 and the thirteen weeks ended March 27, 2011:

	YEAR ENDED DECEMBER 26, 2010	THIRTEEN WEEKS ENDED MARCH 27, 2011
Interest expense	$	$
Increase resulting from Refinancing Transactions [d]		
Decrease resulting from use of proceeds of this offering [e]		
Decrease resulting from decrease in interest rate [f]		
Pro forma interest expense	$	$

(d) Reflects the increase in interest expense resulting from our higher outstanding borrowings following the Refinancing Transactions, at an assumed interest rate of 8.5%, which was the actual interest rate in effect on July 1, 2011.

(e) Reflects the difference between the borrowings under our senior secured credit facility of $ million and $ million pre-and post-offering, respectively.

(f) Reflects a change in the interest rate from the assumed interest rate of 8.5% to an assumed interest rate of % due to the reduction in our total leverage ratio to below 2.0 to 1.0. The assumed interest rate will take effect on July 1, 2012, pursuant to the terms of our new senior secured credit facility provided that we maintain our 2.0 to 1.0 total leverage ratio.

(4) Restaurant-Level EBITDA represents income from operations plus the sum of general and administrative expenses, restaurant pre-opening costs and depreciation and amortization. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization plus the sum of restaurant pre-opening costs, deferred compensation and management fees and expenses.

We are presenting Restaurant-Level EBITDA and Adjusted EBITDA, which are not prepared in accordance with GAAP, because we believe that they provide an additional metric by which to evaluate our operations and, when considered together with our GAAP results and the reconciliation to our income from operations and net income, respectively, we believe they provide a more complete understanding of our business than could be obtained absent this disclosure. We use Restaurant-Level EBITDA and

Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue, income from operations, net income and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. Restaurant-Level EBITDA and Adjusted EBITDA are presented because: (i) we believe they are useful measures for investors to assess the operating performance of our business without the effect of non-cash depreciation and amortization expenses; (ii) we believe that investors will find these measures useful in assessing our ability to service or incur indebtedness; and (iii) we use Restaurant-Level EBITDA and Adjusted EBITDA internally as benchmarks to evaluate our operating performance or compare our performance to that of our competitors. The use of Restaurant-Level EBITDA and Adjusted EBITDA as performance measures permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. Companies within our industry exhibit significant variations with respect to capital structures and cost of capital (which affect interest expense and tax rates) and differences in book depreciation of facilities and equipment (which affect relative depreciation expense), including significant differences in the depreciable lives of similar assets among various companies. Our management believes that Restaurant-Level EBITDA and Adjusted EBITDA facilitate company-to-company comparisons within our industry by eliminating some of the foregoing variations.

Restaurant-Level EBITDA and Adjusted EBITDA are not determined in accordance with GAAP and should not be considered in isolation or as an alternative to net income, income from operations, net cash provided by operating, investing or financing activities or other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. Neither Restaurant-Level EBITDA nor Adjusted EBITDA should be considered as a measure of discretionary cash available to us to invest in the growth of our business. Restaurant-Level EBITDA and Adjusted EBITDA as presented may not be comparable to other similarly titled measures of other companies and our presentation of Restaurant-Level EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual items.

Our management recognizes that Restaurant-Level EBITDA and Adjusted EBITDA have limitations as analytical financial measures, including the following:

- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect our capital expenditures or future requirements for capital expenditures;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, associated with our indebtedness;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect depreciation and amortization, which are non-cash charges, although the assets being depreciated and amortized will likely have to be replaced in the future, nor do Restaurant-Level EBITDA and Adjusted EBITDA reflect any cash requirements for such replacements;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect restaurant pre-opening costs; and
- Restaurant-Level EBITDA does not reflect general and administrative expenses.

A reconciliation of Restaurant-Level EBITDA, Adjusted EBITDA and EBITDA to income from operations and net income is provided below.

	YEAR ENDED [1]			THIRTEEN WEEKS ENDED	
	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
	(Dollars in thousands)				
Adjusted EBITDA:					
Income from operations	$ 2,861	$ 6,844	$ 8,303	$ 1,683	$ 2,702
Interest expense	2,823	3,114	3,584	913	889
Income tax provision (benefit)	(113)	1,077	1,428	242	549
Net income	$ 151	$ 2,653	$ 3,291	$ 528	$ 1,264
Income tax provision (benefit)	(113)	1,077	1,428	242	549
Interest expense	2,823	3,114	3,584	913	889
Depreciation and amortization	785	1,549	2,732	592	925
EBITDA	$ 3,646	$ 8,393	$ 11,035	$ 2,275	$ 3,627
Deferred compensation [a]	2,438	(100)	—	—	—
Management fees and expenses [b]	370	383	375	94	94
Restaurant pre-opening [c]	867	1,673	1,959	340	668
Adjusted EBITDA	$ 7,321	$ 10,349	$ 13,369	$ 2,709	$ 4,389
Restaurant-Level EBITDA:					
Income from operations	$ 2,861	$ 6,844	$ 8,303	$ 1,683	$ 2,702
General and administrative	6,342	4,617	5,293	1,252	1,453
Restaurant pre-opening [c]	867	1,673	1,959	340	668
Depreciation and amortization	785	1,549	2,732	592	925
Restaurant-Level EBITDA	$ 10,855	$ 14,683	$ 18,287	$ 3,867	$ 5,748

(a) In connection with our acquisition by our Sponsor, we entered into employment agreements with certain employees pursuant to which we agreed to pay bonuses monthly over a two or three year period. The payment of the bonuses under certain of these employment agreements was subject to continued employment with us. For bonus payments subject to continued employment, we recognized the bonus payments as compensation expense on a straight-line basis over the requisite service period. With respect to certain agreements that were not subject to continued employment, we recognized the bonus payments as compensation expense at the time the expense was incurred. All required payments under these employment agreements have been made as of December 28, 2009. In accordance with these employment agreements, the entity owned by our Founders assumed the obligations to make future payments under the employment agreements. See “Certain Relationships and Related Party Transactions—Bonus Payments and Related Note.”

(b) For a discussion of our management fees and expenses, see footnote (a) to the reconciliation of pro forma net income to net income as set forth in footnote 3 above.

(c) Restaurant pre-opening costs include expenses directly associated with the opening of new restaurants and are incurred prior to the opening of a new restaurant. See Note 1 to our audited consolidated financial statements for additional details.

Adjusted EBITDA margin is defined as the ratio of Adjusted EBITDA to revenues. We present Adjusted EBITDA margin because it is used by management as a performance measurement to judge the level of Adjusted EBITDA generated from revenues and we believe its inclusion is appropriate to provide additional information to investors.

(5) We consider a restaurant to be comparable in the first full quarter following the eighteenth month of operations. Change in comparable restaurant sales reflect changes in sales for the comparable group of restaurants over a specified period of time.

(6) Average check is calculated by dividing revenue by guest counts for a given period of time. Guest count is measured by the number of entrees sold.

(7) Pro forma balance sheet data as of March 27, 2011, gives effect to this offering and the use of proceeds therefrom, as if this offering was consummated on March 27, 2011 at an initial public offering price of $, the midpoint of the range on the cover of this prospectus.

The following is a reconciliation of total stockholders' equity to pro forma total stockholders' equity as of March 27, 2011:

	AT MARCH 27, 2011
Total stockholders' equity	$
Net proceeds from this offering	
Payment of advisory agreement termination fee, net of tax	
Write-off of deferred financing fees, net of tax	
Pro forma total stockholders' equity	$

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the following risk factors and the other information in this prospectus, including our consolidated financial statements and related notes to those statements, before you decide to invest in our common stock. If any of the following risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Relating to Our Business and Industry

Our financial results depend significantly upon the success of our existing and new restaurants.

Future growth in our revenues and profits will depend on our ability to develop profitable new restaurants, maintain or grow sales and efficiently manage costs in our existing and new restaurants. As of June 26, 2011, we operated 27 restaurants, of which nine restaurants were opened within the preceding twelve months. The results achieved by these restaurants may not be indicative of longer-term performance or the potential market acceptance of restaurants in other locations.

The success of our restaurants revolves principally around guest traffic and average check per guest and customer experience. Significant factors that might adversely affect the average guest traffic and average check include, without limitation:

- declining economic conditions, including housing market downturns, rising unemployment rates, lower disposable income, credit conditions, fuel prices and consumer confidence and other events or factors that adversely affect consumer spending in the markets we serve;
- increased competition in the restaurant industry, particularly in the Mexican cuisine and casual and fast-casual dining segments;
- changes in consumer preferences;
- guests' budgeting constraints;
- guests' failure to accept menu price increases that we may make to offset increases in key operating costs;
- our reputation and consumer perception of our concepts' offerings in terms of quality, price, value, ambience and service; and
- guest experiences from dining in our restaurants.

Our restaurants are also susceptible to increases in certain key operating expenses that are either wholly or partially beyond our control, including, without limitation:

- food and other raw materials costs, many of which we do not or cannot effectively hedge;
- labor costs, including wage, workers' compensation, health care and other benefits expenses;
- rent expenses and construction, remodeling, maintenance and other costs under leases for our new and existing restaurants;
- compliance costs as a result of changes in regulatory or industry standards;
- energy, water and other utility costs;
- costs for insurance (including health, liability and workers' compensation);
- information technology and other logistical costs; and
- expenses due to litigation against us.

Certain of our restaurants operate at or near capacity. As a result, we may be unable to grow or maintain same store sales at those restaurants, particularly if additional restaurants are opened near the existing location. The failure of our existing or new restaurants to perform as expected could have a significant negative impact on our financial condition and results of operations.

Our long-term success is highly dependent on our ability to successfully identify appropriate sites and develop and expand our operations.

We intend to develop new restaurants in our existing markets, and selectively enter into new markets. Since the start of 2008, we have expanded from eight restaurants to 27 restaurants as of June 26, 2011, and we plan to open four additional restaurants for a total of eight restaurants in 2011. There can be no assurance that any new restaurant that we open will have similar operating results to those of existing restaurants. We may not be able to open our planned new restaurants on a timely basis, if at all, and, if opened, these restaurants may not be operated profitably. The number and timing of new restaurants opened during any given period, and their associated contribution to operating growth, may be negatively impacted by a number of factors including, without limitation:

- identification and availability of appropriate locations that will drive high levels of guest traffic and sales per unit;
- inability to generate sufficient funds from operations or to obtain acceptable financing to support our development;
- recruitment and training of qualified operating personnel in the local market;
- availability of acceptable lease arrangements, including sufficient levels of tenant allowances;
- the financial viability of our landlords, including the availability of financing for our landlords and our landlords ability to pay tenant incentives on a timely basis;
- construction and development cost management;
- timely delivery of the leased premises to us from our landlords and punctual commencement of our buildout construction activities;
- delays due to the customized nature of our restaurant concepts and decor, construction and pre-opening processes for each new location;
- obtaining all necessary governmental licenses and permits, including our liquor licenses, on a timely basis to construct or remodel and operate our restaurants;
- inability to comply with certain covenants under our new senior secured credit facility that could limit our ability to open new restaurants;
- consumer tastes in new geographic regions and acceptance of our restaurant concept;
- competition in new markets, including competition for restaurant sites;
- unforeseen engineering or environmental problems with the leased premises;
- adverse weather during the construction period;
- anticipated commercial, residential and infrastructure development near our new restaurants; and
- other unanticipated increases in costs, any of which could give rise to delays or cost overruns.

We have experienced, and expect to continue to experience, delays in restaurant openings from time to time. Such actions may limit our growth opportunities. We cannot assure you that we will be able to successfully expand or acquire critical market presence for our brand in new geographical markets, as we may encounter well-established competitors with substantially greater financial resources. We may be unable to find attractive locations, build name recognition, successfully market our brand or attract new guests. Competitive circumstances and consumer characteristics in new market segments and new geographical markets may differ substantially from those in the market segments and geographical markets in which we have substantial experience. If we are unable to expand in existing markets or penetrate new markets, our ability to increase our revenues and profitability may be harmed.

Changes in economic conditions, including continuing effects from the recent recession, could materially affect our business, financial condition and results of operations.

The restaurant industry depends on consumer discretionary spending. The recent recession, coupled with high unemployment rates, reduced home values, increases in home foreclosures, investment losses, personal bankruptcies, rising fuel prices and reduced access to credit and reduced consumer confidence, has impacted consumers' ability and willingness to spend discretionary dollars. Economic conditions may remain volatile and may continue to repress consumer confidence and discretionary spending for the near term. If the weak economy continues for a prolonged period of time or worsens, guest traffic could be adversely impacted if our guests choose to dine out less frequently or reduce the amount they spend on meals while dining out. We believe that if the current

negative economic conditions persist for a long period of time or become more pervasive, consumers might make long-lasting changes to their discretionary spending behavior, including dining out less frequently on a permanent basis. If restaurant sales decrease, our profitability could decline as we spread fixed costs across a lower level of sales. Reductions in staff levels, asset impairment charges and potential restaurant closures could result from prolonged negative restaurant sales. There can be no assurance that the macroeconomic environment or the regional economics in which we operate will improve significantly or that government stimulus efforts will improve consumer confidence, liquidity, credit markets, home values or unemployment, among other things.

Damage to our reputation or lack of acceptance of our brand in existing or new markets could negatively impact our business, financial condition and results of operations.

We believe we have built our reputation on the high quality of our food, service and staff, as well as on our unique culture and the ambience in our restaurants, and we must protect and grow the value of our brand to continue to be successful in the future. Any incident that erodes consumer affinity for our brand could significantly reduce its value and damage our business. For example, our brand value could suffer and our business could be adversely affected if guests perceive a reduction in the quality of our food, service or staff, or an adverse change in our culture or ambience, or otherwise believe we have failed to deliver a consistently positive experience.

In addition, our ability to successfully develop new restaurants in new markets may be adversely affected by a lack of awareness or acceptance of our brand in these new markets. To the extent that we are unable to foster name recognition and affinity for our brand in new markets, our new restaurants may not perform as expected and our growth may be significantly delayed or impaired.

We may be adversely affected by news reports or other negative publicity regardless of their accuracy, regarding food quality issues, public health concerns, illness, safety, injury or government or industry findings concerning our restaurants, restaurants operated by other foodservice providers, or others across the food industry supply chain. The risks associated with such negative publicity cannot be completely eliminated or mitigated and may materially harm our results of operations and result in damage to our brand.

Also, there has been a marked increase in the use of social media platforms and similar devices, including weblogs (blogs), social media websites and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Consumers value readily available information concerning goods and services that they have or plan to purchase, and may act on such information without further investigation or authentication. The availability of information on social media platforms is virtually immediate as is its impact. Many social media platforms immediately publish the content their subscribers and participants can post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our company may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms also could be used for dissemination of trade secret information, compromising valuable company assets. In sum, the dissemination of information online could harm our business, prospects, financial condition and results of operations, regardless of the information's accuracy.

Our brand could also be confused with brands that have similar names, including Baja Chuy's Mesquite Broiler, Inc. ("Baja Chuy's"), an unaffiliated restaurant chain with whom we have entered into a settlement agreement regarding use of the Chuy's name. As a result, our brand value may be adversely affected by any negative publicity related to Baja Chuy's or any other restaurant that may use brand names, trademarks or trade dress that are similar to ours.

We are susceptible to economic and other trends and developments, including adverse weather conditions, in the local or regional areas in which our restaurants are located.

Our financial performance is highly dependent on restaurants located in Texas and the Southeastern and Midwestern United States. As a result, adverse economic conditions in any of these areas could have a material adverse effect on our overall results of operations. In recent years, certain of these states have been more negatively impacted by the housing decline, high unemployment rates and the overall economic crisis than other geographic areas. In addition, given our geographic concentrations, particularly in Texas, negative publicity regarding any of our restaurants in these areas could have a material adverse effect on our business and operations, as could other regional occurrences

such as local strikes, terrorist attacks, increases in energy prices, adverse weather conditions, hurricanes, droughts or other natural or man-made disasters. In particular, adverse weather conditions can impact guest traffic at our restaurants, cause the temporary underutilization of outdoor patio seating, and, in more severe cases, cause temporary restaurant closures, sometimes for prolonged periods.

Our business is subject to seasonal fluctuations, with restaurant sales typically higher during the spring and summer months as well as in December. Adverse weather conditions during our most favorable months or periods may exacerbate the effect of adverse weather on guest traffic and may cause fluctuations in our operating results from quarter-to-quarter within a fiscal year. In addition, outdoor patio seating is available at all but one of our restaurants and may be impacted by a number of weather-related factors. Our inability to fully utilize our restaurants' seating capacity as planned may negatively impact our revenues and results of operations.

The impact of negative economic factors, including the availability of credit, on our landlords and surrounding tenants could negatively affect our financial results.

Negative effects on our existing and potential landlords due to the inaccessibility of credit and other unfavorable economic factors may, in turn, adversely affect our business and results of operations. If our landlords are unable to obtain financing or remain in good standing under their existing financing arrangements, they may be unable to provide construction contributions or satisfy other lease covenants to us. In addition, if our landlords are unable to obtain sufficient credit to continue to properly manage their retail sites, we may experience a drop in the level of quality of such retail centers. Our development of new restaurants may also be adversely affected by the negative financial situations of developers and potential landlords. Landlords may try to delay or cancel recent development projects (as well as renovations of existing projects) due to the instability in the credit markets and recent declines in consumer spending, which could reduce the number of appropriate locations available that we would consider for our new restaurants. Furthermore, the failure of landlords to obtain licenses or permits for development projects on a timely basis, which is beyond our control, may negatively impact our ability to implement our development plan.

Changes in food availability and costs could adversely affect our operating results.

Our profitability and operating margins are dependent in part on our ability to anticipate and react to changes in food costs. We rely on two regional distributors, Labatt Foodservice in Texas and Merchants Distributors in the Southeastern United States, and various suppliers to provide our beef, cheese, beans, soybean oil, beverages and our groceries. For our chicken products, we rely on two suppliers for our Southeast locations and a sole supplier in Texas. For our green chiles, we contract to buy, through our supplier, Bueno Foods of Albuquerque, New Mexico, chiles from a group of farmers in New Mexico each year, which we have the right to select under our agreement. If and to the extent the farmers are unable or do not supply a sufficient amount of green chiles or if we need chiles out of season, we purchase the excess amount from the general supply of Bueno Foods. Each restaurant, through its general manager and kitchen manager, purchases its produce locally. We are currently evaluating entering into an agreement to purchase our produce through a produce buying group. Any increase in distribution prices, increase in the prices charged by suppliers or failure to perform by these third-parties could cause our food costs to increase or us to experience short-term unavailability of certain products. Failure to identify an alternate source of supply for these items may result in significant cost increases and an inability to provide certain of the items on our menu. If these events occur, it may reduce the profitability of certain of our offerings and may cause us to increase our prices. In addition, any material interruptions in our supply chain, such as a material interruption of ingredient supply due to the failures of third-party distributors or suppliers, or interruptions in service by common carriers that ship goods within our distribution channels, may result in significant cost increases and reduce sales. Changes in the price or availability of certain food products could affect the profitability of certain food items, our ability to maintain existing prices and our ability to purchase sufficient amounts of items to satisfy our guests' demands, which could materially adversely affect our profitability and reputation.

The type, variety, quality, availability and price of produce, beef, chicken and cheese are more volatile than other types of food and are subject to factors beyond our control, including weather, governmental regulation, availability and seasonality, each of which may affect our food costs or cause a disruption in our supply. Our food distributors and suppliers also may be affected by higher costs to produce and transport commodities used in our restaurants, higher minimum wage and benefit costs and other expenses that they pass through to their customers, which could result in higher costs for goods and services supplied to us. Although we are able to contract for the majority of the food commodities used in our restaurants for periods of up to one year, the pricing and availability of some of the

commodities used in our operations, such as our produce, cannot be locked in for periods of longer than one week or at all. We do not use financial instruments to hedge our risk to market fluctuations in the price of our ingredients and other commodities at this time. We may not be able to anticipate and react to changing food costs through our purchasing practices and menu price adjustments in the future, and failure to do so could negatively impact our revenues and results of operations.

Increases in our labor costs, including as a result of changes in government regulation, could slow our growth or harm our business.

We are subject to a wide range of labor costs. Because our labor costs are, as a percentage of revenues, higher than other industries, we may be significantly harmed by labor cost increases. Unfavorable fluctuations in market conditions, availability of such insurance or changes in state and/or federal regulations could significantly increase our insurance premiums. In addition, we are subject to the risk of employment-related litigation at both the state and federal levels, including claims styled as class action lawsuits which are more costly to defend. Also, some employment related claims in the area of wage and hour disputes are not insurable risks.

Significant increases in health care costs may continue to occur, and we can provide no assurance that we will be able to contain those costs. Further, we are continuing to assess the impact of recently-adopted federal health care legislation on our health care benefit costs, and significant increases in such costs could adversely impact our operating results. There is no assurance that we will be able to contain our costs related to such legislation in a manner that will not adversely impact our operating results.

In addition, many of our restaurant personnel are hourly workers subject to various minimum wage requirements or changes to tip credits. Mandated increases in minimum wage levels and changes to the tip credit, which are the amounts an employer is permitted to assume an employee receives in tips when calculating the employee's hourly wage for minimum wage compliance purposes, have recently been and continue to be proposed and implemented at both federal and state government levels. For example, in Kentucky our wait staff is not permitted to pool tips in order to share those tips with bartenders and bussing staff. As a result, we must pay our bartenders and bussing staff in our Kentucky locations additional amounts to ensure they receive minimum wage. Continued minimum wage increases or changes to allowable tip credits may further increase our labor costs or effective tax rate.

Various states in which we operate are considering or have already adopted new immigration laws, and the U.S. Congress and Department of Homeland Security from time to time consider or implement changes to Federal immigration laws, regulations or enforcement programs as well. Some of these changes may increase our obligations for compliance and oversight, which could subject us to additional costs and make our hiring process more cumbersome, or reduce the availability of potential employees. Although we require all workers to provide us with government-specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. Unauthorized workers are subject to deportation and may subject us to fines or penalties, and if any of our workers are found to be unauthorized we could experience adverse publicity that negatively impacts our brand and may make it more difficult to hire and keep qualified employees. Termination of a significant number of employees that unbeknownst to us were unauthorized employees may disrupt our operations, cause temporary increases in our labor costs as we train new employees and result in additional adverse publicity. Our financial performance could be materially harmed as a result of any of these factors.

Labor shortages could increase our labor costs significantly or restrict our growth plans.

Our restaurants are highly dependent on qualified management and operating personnel. Qualified individuals have historically been in short supply and an inability to attract and retain them would limit the success of our existing restaurants as well as our development of new restaurants. We place a heavy emphasis on the qualification and training of our personnel and spend significantly more on training our employees than our competitors. We can make no assurances that we will be able to attract and retain qualified individuals in the future which may have a more significant effect on our operation than those of our competitors. Additionally, the cost of attracting and retaining qualified individuals may be higher than we anticipate, and as a result, our profitability could decline.

Guest traffic at our restaurants could be significantly affected by competition in the restaurant industry in general and, in particular, within the dining segments of the restaurant industry in which we compete.

The restaurant industry is highly competitive with respect to food quality, ambience, service, price and value and location, and a substantial number of restaurant operations compete with us for guest traffic. The main competitors for our brand are other operators of mid-priced, full service concepts in the multi-location casual dining and Tex Mex/Mexican food segments in which we compete most directly for real estate locations and guests. Some of our competitors have significantly greater financial, marketing, personnel and other resources than we do, and many of our competitors are well established in markets in which we have existing restaurants or intend to locate new restaurants. Any inability to successfully compete with the other restaurants in our markets will place downward pressure on our guest traffic and may prevent us from increasing or sustaining our revenues and profitability. We may also need to evolve our concept in order to compete with popular new restaurant formats or concepts that develop from time to time, and we cannot offer any assurance that we will be successful in doing so or that modifications to our concept will not reduce our profitability. In addition, with improving product offerings at fast casual restaurants, quick-service restaurants and grocery stores and the influence of negative economic conditions and other factors, consumers may choose less expensive alternatives, which could also negatively affect guest traffic at our restaurants.

Legislation and regulations requiring the display and provision of nutritional information for our menu offerings, and new information or attitudes regarding diet and health or adverse opinions about the health effects of consuming our menu offerings, could affect consumer preferences and negatively impact our results of operations.

Government regulation and consumer eating habits may impact our business as a result of changes in attitudes regarding diet and health or new information regarding the health effects of consuming our menu offerings. These changes have resulted in, and may continue to result in, the enactment of laws and regulations that impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our food offerings. For example, a number of states, counties and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information available to guests, or have enacted legislation restricting the use of certain types of ingredients in restaurants. Furthermore, the Patient Protection and Affordable Care Act of 2010 (the “PPACA”) establishes a uniform, federal requirement for certain restaurants to post nutritional information on their menus. Specifically, the PPACA amended the Federal Food, Drug and Cosmetic Act to require chain restaurants with 20 or more locations operating under the same name and offering substantially the same menus to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily calorie intake. The PPACA also requires covered restaurants to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information.

The PPACA further permits the United States Food and Drug Administration (the “FDA”) to require covered restaurants to make additional nutrient disclosures, such as disclosure of trans fat content. An unfavorable report on, or reaction to, our menu ingredients, the size of our portions or the nutritional content of our menu items could negatively influence the demand for our offerings.

Compliance with current and future laws and regulations regarding the ingredients and nutritional content of our menu items may be costly and time-consuming. Additionally, if consumer health regulations or consumer eating habits change significantly, we may be required to modify or discontinue certain menu items, and we may experience higher costs associated with the implementation of those changes. The FDA published proposed regulations to implement the menu labeling provisions of the PPACA in April 2011, and has indicated that it intends to issue final regulations by the end of 2011 and will begin enforcing the regulations by mid-2012. Additionally, some government authorities are increasing regulations regarding trans-fats and sodium, which may require us to limit or eliminate trans-fats and sodium from our menu offerings, switch to higher cost ingredients or may hinder our ability to operate in certain markets. If we fail to comply with these laws or regulations, our business could experience a material adverse effect.

We cannot make any assurances regarding our ability to effectively respond to changes in consumer health perceptions or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings to trends in eating habits. The imposition of menu-labeling laws could have an adverse effect on our results of operations and financial position, as well as the restaurant industry in general.

Multiple jurisdictions in which we operate have recently enacted new requirements that require us to adopt and implement a Hazard Analysis and Critical Control Points ("HACCP") System for managing food safety and quality. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from production, procurement and handling, to manufacturing, distribution and consumption of the finished product. We expect to incur certain costs to comply with these regulations and these costs may be more than we anticipate. If we fail to comply with these laws or regulations, our business could experience a material adverse effect.

Federal, state and local beer, liquor and food service regulations may have a significant adverse impact on our operations.

We are required to operate in compliance with federal laws and regulations relating to alcoholic beverages administered by the Bureau of Alcohol, Tobacco, Firearms and Explosives of the U.S. Department of Justice, as well as the laws and licensing requirements for alcoholic beverages of states and municipalities where our restaurants are or will be located. In addition, each restaurant must obtain a food service license from local authorities. Failure to comply with federal, state or local regulations could cause our licenses to be revoked and force us to cease the sale of alcoholic beverages at our certain locations. Any difficulties, delays or failures in obtaining such licenses, permits or approvals could delay or prevent the opening of a restaurant in a particular area or increase the costs associated therewith. In addition, in certain states, including states where we have existing restaurants or where we plan to open a restaurant, the number of liquor licenses available is limited, and licenses are traded on the open market. Liquor, beer and wine sales comprise a significant portion of our revenues. If we are unable to maintain our existing licenses, our guest patronage, revenues and results of operations could be adversely affected. Or, if we choose to open a restaurant in those states where the number of licenses available is limited, the cost of a new license could be significant.

We apply for our liquor licenses with the advice of outside legal and licensing consultants. Because of the many and various state and federal licensing and permitting requirements, there is a significant risk that one or more regulatory agencies could determine that we have not complied with applicable licensing or permitting regulations or have not maintained the approvals necessary for us to conduct business within its jurisdiction. Any changes in the application or interpretation of existing laws may adversely impact our restaurants in that state, and could also cause us to lose, either temporarily or permanently, the licenses, permits and regulations necessary to conduct our restaurant operations, and subject us to fines and penalties.

Restaurant companies have been the target of class-actions and other litigation alleging, among other things, violations of federal and state law.

We are subject to a variety of lawsuits, administrative proceedings and claims that arise in the ordinary course of our business. In recent years, a number of restaurant companies have been subject to claims by guests, employees and others regarding issues such as food safety, personal injury and premises liability, employment-related claims, harassment, discrimination, disability and other operational issues common to the foodservice industry. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. An adverse judgment or settlement that is not insured or is in excess of insurance coverage could have an adverse impact on our profitability and could cause variability in our results compared to expectations. We carry insurance policies for a significant portion of our risks and associated liabilities with respect to workers' compensation, general liability, employer's liability, health benefits and other insurable risks. Regardless of whether any claims that may be brought against us are valid or whether we are ultimately determined to be liable, we could also be adversely affected by negative publicity, litigation costs resulting from the defense of these claims and the diversion of time and resources from our operations.

We are subject to state "dram shop" laws and regulations, which generally provide that a person injured by an intoxicated person may seek to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Recent litigation against restaurant chains has resulted in significant judgments, including punitive damages, under such "dram shop" statutes. While we carry liquor liability coverage as part of our existing comprehensive general liability insurance, we may still be subject to a judgment in excess of our insurance coverage, and we may not be able to obtain or continue to maintain such insurance coverage at reasonable costs, if at all. Regardless of whether any claims against us are valid or whether we are liable, we may be adversely affected by publicity resulting from such laws.

Our marketing programs may not be successful.

We expend resources in our marketing efforts using a variety of media, including social media. We expect to continue to conduct brand awareness programs and guest initiatives to attract and retain guests. These initiatives may not be successful, resulting in expenses incurred without the benefit of higher revenues. Additionally, some of our competitors have greater financial resources, which enable them to spend significantly more on marketing and advertising than we are able to. Should our competitors increase spending on marketing and advertising or our marketing funds decrease for any reason, or should our advertising and promotions be less effective than our competitors, there could be a material adverse effect on our results of operations and financial condition.

The impact of new restaurant openings could result in fluctuations in our financial performance.

Quarterly results have been, and in the future may continue to be, significantly impacted by the timing of new restaurant openings (often dictated by factors outside of our control), including associated restaurant pre-opening costs and operating inefficiencies, as well as changes in our geographic concentration due to the opening of new restaurants. We typically incur the most significant portion of restaurant pre-opening expenses associated with a given restaurant within the five months immediately preceding and the month of the opening of the restaurant. As the regional and national economies in which we operate improve, we may encounter more competition in obtaining lease sites and, as a result, may be unable to negotiate similar levels of tenant incentives under our new leases. If we are unable to obtain similar levels of tenant incentives for a particular unit, we would expect to incur increased capital expenditures in advance of opening and pay lower rent with respect to the restaurant. Our experience has been that labor and operating costs associated with a newly opened restaurant for the first several months of operation are materially greater than what can be expected after that time, both in aggregate dollars and as a percentage of revenues. Our new restaurants commonly take nine months to one year to reach planned operating levels due to inefficiencies typically associated with new restaurants, including the training of new personnel, lack of market awareness, inability to hire sufficient qualified staff and other factors. Accordingly, the volume and timing of new restaurant openings has had, and may continue to have, a meaningful impact on our profitability. Due to the foregoing factors, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for a full fiscal year, and these fluctuations may cause our operating results to be below expectations of public market analysts and investors.

Opening new restaurants in existing markets may negatively affect sales at our existing restaurants.

The consumer target area of our restaurants varies by location, depending on a number of factors such as population density, local retail and business attractions, area demographics and geography. As a result, the opening of a new restaurant in or near markets in which we already have existing restaurants could adversely impact the sales of new or existing restaurants. Our core business strategy does not entail opening new restaurants that materially impact sales at our existing restaurants but we may selectively open new restaurants in and around areas of existing restaurants that are operating at or near capacity. There can be no assurance that sales cannibalization between our restaurants will not occur or become more significant in the future as we continue to expand our operations.

Our business operations and future development could be significantly disrupted if we lose key members of our management team.

The success of our business continues to depend to a significant degree upon the continued contributions of our senior officers and key employees, both individually and as a group. Our future performance will be substantially dependent in particular on our ability to retain and motivate Steve Hislop, our Chief Executive Officer, and our other senior officers. We currently have an employment agreement in place with Mr. Hislop and may enter into employment agreements with other senior officers in the future. The loss of the services of our CEO, other senior officers or other key employees could have a material adverse effect on our business and plans for future development. We have no reason to believe that we will lose the services of any of these individuals in the foreseeable future; however, we currently have no effective replacement for any of these individuals due to their experience, reputation in the industry and special role in our operations. We also do not maintain any key man life insurance policies for any of our employees.

Our growth may strain our infrastructure and resources, which could slow our development of new restaurants and adversely affect our ability to manage our existing restaurants.

We opened six, five and four restaurants in 2010, 2009 and 2008, respectively. As of June 26, 2011, we have opened four restaurants and we expect to open an additional four restaurants before the end of the year. Our future growth may strain our administrative staff, management systems and resources, financial controls and information systems. Those demands on our infrastructure and resources may also adversely affect our ability to manage our existing restaurants. If we fail to continue to improve our infrastructure or to manage other factors necessary for us to meet our expansion objectives, our operating results could be materially and adversely affected. Likewise, if sales decline, we may be unable to reduce our infrastructure quickly enough to prevent sales deleveraging, which would adversely affect our profitability.

Our insurance policies may not provide adequate levels of coverage against all claims, and fluctuating insurance requirements and costs could negatively impact our profitability.

We believe our insurance coverage is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. These losses, if they occur, could have a material and adverse effect on our business and results of operations. In addition, the cost of workers' compensation insurance, general liability insurance and directors' and officers' liability insurance fluctuates based on our historical trends, market conditions and availability. Additionally, health insurance costs in general have risen significantly over the past few years and are expected to continue to increase. These increases, as well as recently-enacted federal legislation requiring employers to provide specified levels of health insurance to all employees, could have a negative impact on our profitability, and there can be no assurance that we will be able to successfully offset the effect of such increases with plan modifications and cost control measures, additional operating efficiencies or the pass-through of such increased costs to our guests.

Our indebtedness may limit our ability to invest in the ongoing needs of our business and if we are unable to comply with our financial covenants, our liquidity and results of operations could be adversely affected.

At June 26, 2011, after giving effect to this offering, we would have had $ million of outstanding indebtedness under our new senior secured credit facility. We may, from time to time, incur additional indebtedness under this existing credit facility. See "Description of Indebtedness."

Our new senior secured credit facility places certain conditions on us, including that it:

- requires us to utilize a substantial portion of our cash flow from operations to payments on our indebtedness, reducing the availability of our cash flow to fund working capital, capital expenditures, development activity and other general corporate purposes;
- increases our vulnerability to adverse general economic or industry conditions;
- limits our flexibility in planning for, or reacting to, changes in our business or the industries in which we operate;
- makes us more vulnerable to increases in interest rates, as borrowings under our new senior secured credit facility are at variable rates;
- limits our ability to obtain additional financing in the future for working capital or other purposes; and
- places us at a competitive disadvantage compared to our competitors that have less indebtedness.

Our new senior secured credit facility places certain limitations on our ability to incur additional indebtedness. However, subject to the qualifications and exceptions in our new senior secured credit facility, we may incur substantial additional indebtedness under that facility and may incur obligations that do not constitute indebtedness under that facility. The new senior secured credit facility also places certain limitations on, among other things, our ability to enter into certain types of transactions, financing arrangements and investments, to make certain changes to our capital structure and to guarantee certain indebtedness. The new senior secured credit facility also places certain restrictions on the payment of dividends and distributions and certain management fees. Failure to comply with certain covenants or the occurrence of a change of control under our new senior secured credit facility could result in the acceleration of our obligations under the new senior secured credit facility, which would have an adverse affect on our liquidity, capital resources and results of operations.

Our new senior secured credit facility also requires us to comply with certain financial covenants regarding our capital expenditures, fixed charge coverage ratio, total leverage ratio and our lease adjusted leverage ratio. Changes with respect to these financial covenants may increase our interest rate and failure to comply with these covenants could result in a default and an acceleration of our obligations under the new senior secured credit facility, which would have an adverse affect on our liquidity, capital resources and results of operations. Upon the receipt of funds from our initial public offering, we will be required to repay the amount of the term loans under the new senior secured credit facility that would be required to reduce the total leverage ratio (as defined in the new senior secured credit facility) to 2.0 to 1.0. See “Description of Indebtedness.”

We may be unable to obtain debt or other financing on favorable terms or at all.

There are inherent risks in our ability to borrow. Our lenders may have suffered losses related to their lending and other financial relationships, especially because of the general weakening of the national economy, increased financial instability of many borrowers and the declining value of their assets. As a result, lenders may become insolvent or tighten their lending standards, which could make it more difficult for us to borrow under our new senior secured credit facility, refinance our existing indebtedness or to obtain other financing on favorable terms or at all. Our financial condition and results of operations would be adversely affected if we were unable to draw funds under our new senior secured credit facility because of a lender default or to obtain other cost-effective financing.

Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business can be arranged. Such measures could include deferring capital expenditures (including the opening of new restaurants) and reducing or eliminating other discretionary uses of cash.

We may be required to record asset impairment charges in the future.

In accordance with accounting guidance as it relates to the impairment of long-lived assets, we review long-lived assets, such as property and equipment and intangibles subject to amortization, for impairment when events or circumstances indicate the carrying value of the assets may not be recoverable. In determining the recoverability of the asset value, an analysis is performed at the individual restaurant level and primarily includes an assessment of historical cash flows and other relevant factors and circumstances. Negative restaurant-level cash flow (defined as restaurant net income plus depreciation, gain and/or loss on assets and pre-opening expense) over the previous 12-month period in a stabilized location is considered a potential impairment indicator. In such situations, the Company evaluates future cash flow projections in conjunction with qualitative factors and future operating plans. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the restaurant to the estimated undiscounted future cash flow expected to be generated by the restaurant. If the carrying amount of the restaurant exceeds estimated future cash flow, an impairment charge is recognized for the amount by which the assets carrying amount exceeds its fair value.

Continued economic weakness within our respective markets may adversely impact consumer discretionary spending and may result in lower restaurant sales. Unfavorable fluctuations in our commodity costs, supply costs and labor rates, which may or may not be within our control, may also impact our operating margins. Any of these factors could as a result affect the estimates used in our impairment analysis and require additional impairment tests and charges to earnings. We continue to assess the performance of our restaurants and monitor the need for future impairment. There can be no assurance that future impairment tests will not result in additional charges to earnings.

Security breaches of confidential guest information in connection with our electronic processing of credit and debit card transactions may adversely affect our business.

The majority of our restaurant sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information of their customers has been stolen. We may in the future become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our guests’ credit or debit card information. In addition, most states have enacted legislation requiring notification of security breaches involving personal information, including credit and debit card

information. Any such claim, proceeding, or mandatory notification could cause us to incur significant unplanned expenses, which could have an adverse impact on our financial condition and results of operations. Further, adverse publicity resulting from these allegations may have a material adverse effect on us and our restaurants.

We may not be able to adequately protect our intellectual property, which, in turn, could harm the value of our brand and adversely affect our business.

Our ability to implement our business plan successfully depends in part on our ability to build brand recognition in the areas surrounding our locations using our trademarks and other proprietary intellectual property, including our brand names, logos and the unique ambience of our restaurants. We have registered or applied to register a number of our trademarks. We cannot assure you that our trademark applications will be approved. Also, as a result of the settlement agreement with an unaffiliated entity, Baja Chuy's, we may not use "Chuy's" in Nevada, California or Arizona, which may have an adverse effect on our growth plans in these states. Additionally, our brand value may be diluted as a result of their use of "Chuy's" in these states. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our goods and services, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands.

We enforce our rights through a number of methods, including the issuance of cease-and-desist letters or making infringement claims in federal court. If our efforts to register, maintain and protect our trademarks or other intellectual property are inadequate, or if any third party misappropriates, dilutes or infringes on our intellectual property, the value of our brand may be harmed, which could have a material adverse effect on our business and might prevent our brand from achieving or maintaining market acceptance. We may also face the risk of claims that we have infringed third parties' intellectual property rights. A successful claim of infringement against us could result in our being required to pay significant damages or enter into costly licensing or royalty agreements in order to obtain the right to use a third party's intellectual property, any of which could have a negative impact on our results of operations and harm our future prospects. If such royalty or licensing agreements are not available to us on acceptable terms or at all, we may be forced to stop the sale of certain products or services. Any claims of intellectual property infringement, even those without merit, could be expensive and time consuming to defend, require us to rebrand our services, if feasible, and divert management's attention.

We also rely on trade secrets and proprietary know-how, to protect our brand. Our methods of safeguarding this information may not be adequate. Moreover, we may face claims of misappropriation or infringement of third parties' rights that could interfere with our use of this information. Defending these claims may be costly and, if unsuccessful, may prevent us from continuing to use this proprietary information in the future and may result in a judgment or monetary damages. We do not maintain confidentiality agreements with all of our team members or suppliers. Even with respect to the confidentiality agreements we have, we cannot assure you that those agreements will not be breached, that they will provide meaningful protection, or that adequate remedies will be available in the event of an unauthorized use or disclosure of our proprietary information. If competitors independently develop or otherwise obtain access to our trade secrets or proprietary know-how, the appeal of our restaurants could be reduced and our business could be harmed. In addition, if we default under our lease agreements with our landlord, Young/Zapp GP, LLC ("Young/Zapp") and its subsidiaries, at certain of our locations, our landlord may have the right to operate a Tex Mex or Mexican food restaurant at that location using our recipes and our trade dress. If such default were to occur, the brand value of our recipes and our trade dress might suffer.

Information technology system failures or breaches of our network security could interrupt our operations and adversely affect our business.

We rely on our computer systems and network infrastructure across our operations, including point-of-sale processing at our restaurants. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, worms and other disruptive problems. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could have a material adverse effect on our business and subject us to litigation or actions by regulatory authorities. Although we employ both internal resources and external consultants to audit our systems, and test them for vulnerability, have implemented firewalls, data encryption and other security controls and intend to maintain and upgrade our security technology and operational procedures to prevent such damage, breaches or other disruptive problems, these security measures may not eliminate all risks.

A major natural or man-made disaster could have a material adverse effect on our business.

Most of our corporate systems, processes and corporate support for our restaurant operations are centralized at our headquarters in Austin, Texas, with certain systems and processes being concurrently stored at an offsite storage facility in accordance with our disaster recovery plan. As part of our new disaster recovery plan, we are currently finalizing the backup processes for our core systems at our co-location facility. If we are unable to fully implement this new disaster recovery plan, we may experience failures or delays in recovery of data, delayed reporting and compliance, inability to perform necessary corporate functions and other breakdowns in normal operating procedures that could have a material adverse effect on our business and create exposure to administrative and other legal claims against us.

We will incur increased costs and obligations as a result of being a public company.

As a privately held company, we were not required to comply with certain corporate governance and financial reporting practices and policies required of a publicly traded company. As a publicly traded company, we will incur significant legal, accounting and other expenses that we were not required to incur in the recent past. In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated and to be promulgated thereunder, as well as under the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and , have created uncertainty for public companies and increased our costs and time that our board of directors and management must devote to complying with these rules and regulations. We expect these rules and regulations to increase our legal and financial compliance costs and lead to a diversion of management time and attention from revenue generating activities. We estimate that we will incur approximately $1.5 to $2.0 million of incremental costs per year associated with being a publicly traded company; however, it is possible that our actual incremental costs of being a publicly-traded company will be higher than we currently estimate. In estimating these costs, we took into account expenses related to insurance, legal, accounting and compliance activities.

Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a publicly traded company. However, the measures we take may not be sufficient to satisfy our obligations as a publicly traded company.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we file with the SEC after the consummation of our initial public offering, and will require in the same report a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. We will be unable to issue securities in the public markets through the use of a shelf registration statement if we are not in compliance with Section 404. Furthermore, failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business and share price and could limit our ability to report our financial results accurately and timely.

Federal, state and local tax rules may adversely impact our results of operations and financial position.

We are subject to federal, state and local taxes in the U.S. If the Internal Revenue Service ("IRS") or other taxing authority disagrees with the positions we have taken on our tax returns, we could face additional tax liability, including interest and penalties. If material, payment of such additional amounts upon final adjudication of any disputes could have a material impact on our results of operations and financial position. In addition, complying with new tax rules, laws or regulations could impact our financial condition, and increases to federal or state statutory tax rates and other changes in tax laws, rules or regulations may increase our effective tax rate. Any increase in our effective tax rate could have a material impact on our financial results.

Risks Relating to Our Common Stock

We are a "controlled company" within the meaning of corporate governance standards rules and, as a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are subject to such requirements.

After completion of this offering, Goode Partners LLC (our "Sponsor"), which is the managing member of Goode Chuy's Holdings, LLC (our "Controlling Stockholder"), will continue to control a majority of the voting power of our outstanding common stock. As a result, we are a "controlled company" within the meaning of the corporate governance standards of . Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, or otherwise have director nominees selected by vote of a majority of the independent directors;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

Following this offering, we intend to utilize these exemptions. As a result, we will not have a majority of independent directors, our nominating and corporate governance committee and compensation committee will not consist entirely of independent directors and such committees will not be subject to annual performance evaluations. Additionally, we only are required to have one independent audit committee member upon the listing of our common stock on , a majority of independent audit committee members within 90 days from the date of listing and all independent audit committee members within one year from the date of listing. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of .

Our Sponsor, however, is not subject to any contractual obligation to retain their controlling interest, except that they have agreed, subject to certain exceptions, not to sell or otherwise dispose of any shares of our common stock or other capital stock or other securities exercisable or convertible therefor for a period of at least 180 days after the date of this prospectus without the prior written consent of our underwriters in this initial public offering. Except for this brief period, there can be no assurance as to the period of time during which our Sponsor will maintain their ownership of our common stock following the offering. As a result, there can be no assurance as to the period of time during which we will be able to avail ourselves of the controlled company exemptions.

The price of our common stock may be volatile and you could lose all or part of your investment.

Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of our common stock could fluctuate significantly for various reasons, which include:

- our quarterly or annual earnings or those of other companies in our industry;
- changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- changes in accounting standards, policies, guidance, interpretations or principles;
- additions or departures of our senior management personnel;
- sales of our common stock by our directors and executive officers;
- sales or distributions of our common stock by our Sponsor or its affiliates;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by shareholders;

- the level and quality of research analyst coverage for our common stock, changes in financial estimates or investment recommendations by securities analysts following our business or failure to meet such estimates;
- the financial disclosure we may provide to the public, any changes in such disclosure or our failure to meet such disclosure;
- various market factors or perceived market factors, including rumors, whether or not correct, involving us, our distributors or suppliers or our competitors;
- acquisitions or strategic alliances by us or our competitors;
- short sales, hedging and other derivative transactions in our common stock;
- the operating and stock price performance of other companies that investors may deem comparable to us; and
- other events or factors, including changes in general conditions in the United States and global economies or financial markets (including those resulting from acts of God, war, incidents of terrorism or responses to such events).

In addition, in recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company, and these fluctuations could materially reduce our share price.

In the past, following periods of market volatility in the price of a company's securities, security holders have often instituted class action litigation. If the market value of our common stock experiences adverse fluctuations and we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management's attention could be diverted from the operation of our business, causing our business to suffer.

Future sales of our common stock in the public market could lower our share price, and the exercise of stock options and any additional capital raised by us through the sale of our common stock may dilute your ownership in us.

Sales of substantial amounts of our common stock in the public market following this offering by our existing shareholders, upon the exercise of outstanding stock options or stock options granted in the future or by persons who acquire shares in this offering may adversely affect the market price of our common stock. Such sales could also create public perception of difficulties or problems with our business. These sales might also make it more difficult for us to sell securities in the future at a time and price that we deem appropriate.

Upon the completion of this offering, we will have outstanding shares of common stock, of which:

- shares are shares that we and the selling stockholders are selling in this offering and, unless purchased by affiliates, may be resold in the public market immediately after this offering; and
- shares will be "restricted securities," as defined under Rule 144 under the Securities Act, and eligible for sale in the public market subject to the requirements of Rule 144, of which shares are subject to lock-up agreements and will become available for resale in the public market beginning 180 days after the date of this prospectus.

In addition, at , 2011, we have reserved shares of common stock for issuance under the 2011 Omnibus Equity Incentive Plan. See "Compensation Discussion and Analysis—2011 Plan." Upon consummation of this offering, we expect to have shares of common stock issuable upon exercise of outstanding options (of which will be fully vested at the time of this offering).

With limited exceptions as described under the caption "Underwriting," the lock-up agreements with the underwriters of this offering prohibit a shareholder from selling, contracting to sell or otherwise disposing of any common stock or securities that are convertible or exchangeable for common stock or entering into any arrangement that transfers the economic consequences of ownership of our common stock for at least 180 days from the date of the prospectus filed in connection with our initial public offering, although the lead underwriters may, in their sole discretion and at any time without notice, release all or any portion of the securities subject to these lock-up agreements. The lead underwriters have advised us that they have no present intent or arrangement to release any shares subject to a lock-up and will consider the release of any lock-up on a case-by-case basis. Upon a request to

release any shares subject to a lock-up, the lead underwriters would consider the particular circumstances surrounding the request including, but not limited to, the length of time before the lock-up expires, the number of shares requested to be released, reasons for the request, the possible impact on the market for our common stock and whether the holder of our shares requesting the release is an officer, director or other affiliate of ours. As a result of these lock-up agreements, notwithstanding earlier eligibility for sale under the provisions of Rule 144, none of these shares may be sold until at least 180 days after the date of this prospectus.

Pursuant to our stockholder agreement, we have granted certain registration rights to our Controlling Stockholder, MY/ZP Equity, LLC, an entity wholly-owned by Michael Young and John Zapp (jointly, our "Founders"), and certain other stockholders. Should these stockholders exercise their registration rights under our stockholder agreement, the shares registered would no longer be restricted securities and would be freely tradable in the open market. See "Certain Relationships and Related Party Transactions—Registration Rights".

As restrictions on resale expire or as shares are registered, our share price could drop significantly if the holders of these restricted or newly registered shares sell them or are perceived by the market as intending to sell them. These sales might also make it more difficult for us to sell securities in the future at a time and at a price that we deem appropriate.

If securities analysts or industry analysts downgrade our shares, publish negative research or reports, or do not publish reports about our business, our share price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us, our business and our industry. If one or more analysts adversely change their recommendation regarding our shares or our competitors' stock, our share price would likely decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws, as amended and restated in connection with this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, up to shares of undesignated preferred stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chair of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of a supermajority of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits

a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder (any stockholder with 15% or more of our capital stock) for a period of three years following the date on which the stockholder became an "interested" stockholder.

Since we do not expect to pay any dividends for the foreseeable future, investors in this offering may be forced to sell their stock in order to realize a return on their investment.

Since we do not expect to pay any dividends for the foreseeable future, investors may be forced to sell their shares in order to realize a return on their investment. Other than the dividend paid in connection with the Refinancing Transactions, we have not declared or paid any dividends on our common stock. We do not anticipate that we will pay any dividends to holders of our common stock for the foreseeable future. Any payment of cash dividends will be at the discretion of our board of directors and will depend on our financial condition, capital requirements, legal requirements, earnings and other factors. Our ability to pay dividends is restricted by the terms of our new senior secured credit facility and might be restricted by the terms of any indebtedness that we incur in the future. Consequently, you should not rely on dividends in order to receive a return on your investment. See "Dividend Policy."

Our reported financial results may be adversely affected by changes in accounting principles applicable to us.

Our reported financial results may be adversely affected by changes in accounting principles applicable to us. Generally accepted accounting principles in the U.S. are subject to interpretation by the Financial Accounting Standards Board, or FASB, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. In addition, the SEC has announced a multi-year plan that could ultimately lead to the use of International Financial Reporting Standards by U.S. issuers in their SEC filings. Any such change could have a significant effect on our reported financial results.

Our ability to raise capital in the future may be limited.

Our ability to raise capital in the future may be limited. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common shareholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing shareholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk of our future securities offerings, diluting their interest and reducing the market price of our common stock.

Our Sponsor will continue to have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of key transactions, including a change of control. Our Founders may also continue to exert significant influence over us.

We are currently controlled, and after this offering is completed will continue to be controlled, by our Sponsor. Upon completion of this offering, investment funds affiliated with our Sponsor will beneficially own % of our outstanding common stock (% if the underwriters exercise in full the option to purchase additional shares from us). For as long as our Sponsor continues to beneficially own shares of common stock and other equity securities representing more than 50% of the voting power of our common stock, they will be able to direct the election of our board of directors and could exercise a controlling influence over our business and affairs, including any determinations with respect to mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional common stock or other equity securities, the repurchase or redemption of common stock and the payment of dividends. Similarly, these entities will have the power to determine matters submitted to a vote of our stockholders without the consent of our other stockholders, will have the power to prevent a change in our control and could take other actions that might be favorable to them. Even if their ownership falls below 50%, our Sponsor will continue to be able to strongly influence or effectively control our decisions. See "Certain Relationships and Related Party Transactions."

Upon completion of this offering, our Founders will continue to serve on our board of directors and will beneficially own % of our outstanding common stock (% if the underwriters exercise in full the option to purchase additional shares from our selling stockholders). Our Founders may be able to exert significant influence over certain of our decisions.

Additionally, our Sponsor is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsor may also pursue acquisition opportunities that may be complimentary to our business and, as a result, those acquisition opportunities may not be available to us.

Risks Related to this Offering

There is no existing market for our common stock and we do not know if one will develop to provide you with adequate liquidity.

Prior to this offering, there has not been a public market for our common stock. An active market for our common stock may not develop following the completion of this offering, or if it does develop, may not be maintained. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the shares of our common stock will be determined by negotiations between us, the selling shareholders and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering.

You will suffer immediate and substantial dilution.

The initial public offering price per share is substantially higher than the pro forma net tangible book value per share immediately after this offering. As a result, you will pay a price per share that substantially exceeds the book value of our assets after subtracting our liability. Assuming an offering price of $ per share, you will incur immediate and substantial dilution in the amount of $ per share. If outstanding options to purchase our common stock are exercised, you will experience additional dilution. Any future equity issuances will result in even further dilution to holders of our common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under the captions “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and elsewhere in this prospectus may include forward-looking statements. These statements reflect the current views of our senior management with respect to future events and our financial performance. These statements include forward-looking statements with respect to our business and industry in general. Statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “forecast,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise.

Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, the following:

- the success of our existing and new restaurants;
- our ability to identify appropriate sites and develop and expand our operations;
- changes in economic conditions, including continuing effects from the recent recession;
- damage to our reputation or lack of acceptance of our brand in existing or new markets;
- economic and other trends and developments, including adverse weather conditions, in the local or regional areas in which our restaurants are located;
- the impact of negative economic factors, including the availability of credit, on our landlords and surrounding tenants;
- changes in food availability and costs;
- labor shortages and increases in our labor costs, including as a result of changes in government regulation;
- increased competition in the restaurant industry and the segments in which we compete;
- the impact of legislation and regulations regarding nutritional information, and new information or attitudes regarding diet and health or adverse opinions about the health of consuming our menu offerings;
- the impact of federal, state and local beer, liquor and food service regulations;
- the success of our marketing programs;
- the impact of new restaurant openings, including on the effect on our existing restaurants of opening new restaurants in the same markets;
- the loss of key members of our management team;
- strain on our infrastructure and resources caused by our growth;
- the impact of litigation;
- the inadequacy of our insurance coverage and fluctuating insurance requirements and costs;
- the impact of our indebtedness on our ability to invest in the ongoing needs of our business;
- our ability to obtain debt or other financing on favorable terms or at all;
- the impact of a potential requirement to record asset impairment charges in the future;
- the impact of security breaches of confidential guest information in connection with our electronic processing of credit and debit card transactions;
- inadequate protection of our intellectual property;
- the failure of our information technology system or the breach of our network security;
- a major natural or man-made disaster;
- our increased costs and obligations as a result of being a public company;
- the impact of federal, state and local tax;
- the impact of our election to avail ourselves of the controlled-company exemptions from corporate governance requirements of ;
- volatility in the price of our common stock;

- the impact of future sales of our common stock in the public market, and the exercise of stock options and any additional capital raised by us through the sale of our common stock;
- the impact of a downgrade of our shares by securities analysts or industry analysts, the publication of negative research or reports, or lack of publication of reports about our business;
- the effect of anti-takeover provisions in our charter documents and under Delaware law;
- the effect of our decision to not pay dividends for the foreseeable future;
- the effect of changes in accounting principles applicable to us;
- our ability to raise capital in the future;
- the significant influence our Sponsor will continue to have over us after this offering, including control over decisions that require the approval of stockholders and the significant influence our Founders may continue to exert over us;
- the lack of an existing market for our common stock and uncertainty as to whether one will develop to provide you with adequate liquidity;
- the potential that you will suffer immediate and substantial dilution; and
- other factors discussed under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.”

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this prospectus. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Any forward-looking statements you read in this prospectus reflect our views as of the date of this prospectus with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. Before making a decision to purchase our common stock, you should carefully consider all of the factors identified in this prospectus that could cause actual results to differ.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares by us in this offering will be approximately $ million, after deducting underwriting discounts and commissions and estimated expenses, based upon an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus. We will not receive any proceeds from the sale of common stock by the selling stockholders, including with respect to any sale of shares from the exercise of the underwriters of their option to purchase additional shares from the selling stockholders. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us of this offering by $ million, assuming the sale by us of shares of our common stock and after deducting underwriting discounts and commissions and estimated expenses.

We intend to use the net proceeds received by us from this offering:

- to make a mandatory prepayment of $ to the outstanding balance under our term A loan and to pay the Libor funding breakage costs under our new senior secured credit facility, which were incurred to finance the dividend paid to our common and preferred stockholders, which is the amount sufficient to reduce the total leverage ratio (as defined in our new senior secured credit facility) to 2.0:1.0;
- to pay a $2.0 million termination fee with respect to the termination of our Advisory Agreement with our Sponsor; and
- for working capital and other general corporate purposes.

On May 24, 2011, we entered into our new senior secured credit facility, which bears interest at a variable rate based on the prime, federal funds or Libor rate plus an applicable margin based on our total leverage ratio. Our interest rate at July 1, 2011 was 8.5%. The new senior secured credit facility matures on May 24, 2016 or sooner upon the occurrence of an event of default.

We used the following amounts of the net proceeds from our new senior secured credit facility as follows:

- approximately $20.8 million to repay all outstanding loans and accrued and unpaid interest, servicing fees, commitment fees and letter of credit fees under our credit facility with Wells Fargo Capital Finance, Inc.;
- approximately $10.1 million to repay the outstanding principal, interest and expenses under our credit facility with HBK Investments L.P.;
- approximately $1.6 million to pay the expenses of the lenders; and
- approximately $20.0 million to pay a dividend of $19.0 million to our common and preferred stockholders and other special bonus payments to members of management.

For additional information regarding our new senior secured credit facility see “Description of Indebtedness.”

We may also use a portion of the net proceeds to develop additional restaurants and acquire potential restaurant sites. Pending the uses described above, we intend to invest the net proceeds in short-term, investment grade, interest bearing securities.

The amounts and timing of our actual expenditures will depend on numerous factors, including the status of our expansion efforts, sales and marketing activities and competition. Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds from this offering.

DIVIDEND POLICY

We did not declare or pay any dividends on our common stock during fiscal years 2009 and 2010. We declared and paid a dividend of $0.6347 per share on shares of our common stock and our series A preferred stock, series B preferred stock and series X preferred stock during May 2011, totaling $19.0 million. We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements and such other factors as our board of directors deems relevant. In addition, our new senior secured credit facility restricts our ability to pay dividends. See “Description of Indebtedness.”

CAPITALIZATION

The following table sets forth our capitalization as of , 2011:

- on an actual basis; and
- on an as adjusted basis to give effect to (1) the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions and estimated fees and expenses payable by us, (2) the conversion of all of our classes of preferred stock into common stock immediately before the offering, (3) our : reverse stock split and (4) the application of the net proceeds of this offering as described under "Use of Proceeds," as if the events had occurred on , 2011.

You should read this information in conjunction with "Use of Proceeds," "Selected Consolidated Historical Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity," and our consolidated financial statements and related notes included elsewhere in this prospectus.

	AS OF , 2011	
	ACTUAL	AS ADJUSTED
	(In thousands)	
Cash and cash equivalents	$	$
Debt:		
Revolving Credit Facility (1)	$	$
Term A Loan Facility		
Other debt		
Total debt (2)		
Stockholders' Equity:		
Common Stock (3)		
Series A Preferred Stock (3)		—
Series B Preferred Stock (3)		—
Series X Preferred Stock (3)		—
Paid-in Capital		
Total stockholders' equity (3) (4)		
Total capitalization	$	$

(1) The revolving credit facility is a part of our new senior secured credit facility and provides for borrowings of up to $5.0 million, of which $ million was available as of , 2011 for working capital and general corporate purposes.

(2) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover of this prospectus, would increase (decrease) cash and cash equivalents and total stockholders' equity by $ million, assuming in each case the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) At , 2011, without giving effect to the conversion of the series A preferred stock, the series B preferred stock and the series X preferred stock or our : reverse stock split, our authorized capital stock consisted of 32,601,462 shares of common stock of which 468,416 is issued and outstanding, 25,000,000 shares of series A preferred stock all of which is issued and outstanding, 2,722,222 shares of series B preferred stock, all of which is issued and outstanding and 1,676,316 shares of our series X preferred stock, all of which is issued and outstanding. Following our : reverse stock split, our authorized capital stock consisted of shares of common stock and , and shares of our series A preferred stock, series B preferred stock and series X preferred stock, respectively. Immediately preceding this offering, assuming an initial offering price in excess of the series X preferred stock liquidation preference, all shares of our series A preferred stock, the series B preferred stock and the series X preferred stock will be converted into issued and outstanding common stock at a fixed exchange ratio of 1:1. Subject to the consummation of this offering, we will amend and restate our certificate of incorporation to, among other things, eliminate the authorized shares of series A preferred stock, series B preferred stock and series X preferred stock. Immediately following the conversion of our preferred stock but prior to the consummation of this offering, we will have 29,398,538 pre-stock split shares of common stock outstanding. In connection with this offering, we will issue an additional shares of new common stock and, immediately following this offering, we will have total shares of common stock outstanding .

(4) As adjusted total stockholders' equity reflects the write off of $ million in deferred financing costs in connection with this offering and the $2.0 million termination fee to be paid with respect to the termination of the advisory agreement with our Sponsor.

DILUTION

If you invest in our common stock, your ownership interest will be immediately diluted to the extent of the difference between the offering price per share and the pro forma as adjusted net tangible book value per share after this offering. Net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. Dilution in pro forma net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after the consummation of this offering.

Our historical net tangible book value as of , 2011 was $ million, or $ per share, not taking into account the conversion of our outstanding preferred stock. Our pro forma net tangible book value as of , 2011 was approximately $ million, or $ per share, after giving effect to the conversion of all outstanding shares of our preferred stock into shares of our common stock.

After giving effect to the : reverse stock split, conversion of all of our preferred stock and the sale by us of the shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range on the cover page of this prospectus, less underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of , 2011 would have been approximately $ million, or approximately $ per share. This represents an immediate increase in net tangible book value of $ per share to existing stockholders and an immediate dilution in net tangible book value of $ per share to new investors of common stock in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of , 2011	$	
Pro forma increase in net tangible book value per share attributable to conversion of preferred stock		
Pro forma net tangible book value per share as of , 2011		
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution per share to new investors		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by approximately $ million, or $ per share, and the dilution per share to investors in this offering by approximately $ per share, assuming no change to the number of shares offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. The pro forma as adjusted information discussed above is illustrative only.

The following table sets forth, on a pro forma as adjusted basis, as of , 2011, the differences between the number of shares of common stock purchased from us, the total consideration paid, and the weighted average price per share paid by existing stockholders and new investors purchasing shares of our common stock in this offering, before deducting underwriting discounts and commissions and estimated expenses payable by us at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

	SHARES PURCHASED		TOTAL CONSIDERATION		WEIGHTED AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholders		%	$	%	$
New investors					

A $1.00 increase (or decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease), respectively, total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated expenses payable by us.

The discussion and tables above assume the conversion of all our outstanding shares of preferred stock into shares of common stock immediately prior to the consummation of this offering simultaneously with the consummation of this offering and excludes, as of , 2011:

- shares of common stock issuable upon the exercise of options outstanding as of , 2011 at a weighted average exercise price of $ per share; and
- shares of common stock reserved for future issuance under our equity plans.

Because the exercise prices of the outstanding options to purchase shares of our common stock are significantly below the assumed initial offering price of $ per share, which is the midpoint of the price range on the cover page of this prospectus, investors purchasing common stock in this offering will suffer additional dilution when and if these options are exercised. Assuming the exercise in full of the outstanding options, pro forma net tangible book value before this offering at , 2011 would be $ per share, representing an immediate increase of $ per share to our existing stockholders, and, after giving effect to the sale of shares of common stock in this offering, there would be an immediate dilution of $ per share to new investors in this offering.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL AND OPERATING DATA

The following table sets forth, for the periods and dates indicated, our summary historical consolidated financial and operating data. We have derived the statement of operations data for the fiscal years ended December 28, 2008, December 27, 2009 and December 26, 2010 and the balance sheet data as of December 27, 2009 and December 26, 2010 from our audited consolidated financial statements appearing elsewhere in this prospectus. We have derived the statement of operations data for the fiscal years ended December 31, 2006 and December 30, 2007 from unaudited consolidated financial statements not included elsewhere in this prospectus. We have derived the balance sheet data as of December 31, 2006, December 30, 2007 and December 30, 2008 from our unaudited consolidated financial statements not included elsewhere in this prospectus. We have derived the statement of operations data for the thirteen weeks ended March 28, 2010 and March 27, 2011 and balance sheet data as of March 27, 2011 from our unaudited interim consolidated financial statements appearing elsewhere in this prospectus. We have derived the balance sheet data as of March 28, 2010 from our unaudited interim consolidated financial statements not included elsewhere in this prospectus. You should read this information in conjunction with "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes to those statements included elsewhere in this prospectus.

	PREDECESSOR COMPANY	SUCCESSOR COMPANY						
			YEAR ENDED [1]				THIRTEEN WEEKS ENDED	
	JANUARY 1, 2006 - NOVEMBER 6, 2006	NOVEMBER 7, 2006 - DECEMBER 31, 2006	DECEMBER 30, 2007	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
			(Dollars in thousands, except per share data)					
Statement of Operations Data:								
Revenue	$ 34,346	$ 5,885	$ 42,092	$ 51,868	$ 69,394	$ 94,908	$ 20,374	$ 29,209
Cost of Sales	10,637	1,761	13,132	15,833	20,120	28,096	6,050	8,843
Labor	9,727	1,682	11,713	14,956	21,186	30,394	6,537	9,191
Operating	5,028	786	5,640	6,587	8,558	11,822	2,506	3,520
Occupancy	2,223	345	2,659	3,248	4,314	5,654	1,257	1,687
General and administrative	2,175	1,460	6,134	6,342	4,617	5,293	1,252	1,453
Marketing	334	75	314	389	533	655	157	220
Restaurant pre-opening	—	—	5	867	1,673	1,959	340	668
Depreciation and amortization	339	70	518	785	1,549	2,732	592	925
Total costs and expenses	30,463	6,179	40,115	49,007	62,550	86,605	18,691	26,507
Income (loss) from operations	3,883	(294)	1,977	2,861	6,844	8,303	1,683	2,702
Interest expense	1	414	2,832	2,823	3,114	3,584	913	889
Income (loss) before income taxes	3,882	(708)	(855)	38	3,730	4,719	770	1,813
Income tax provision (benefit) expense	—	(219)	26	(113)	1,077	1,428	242	549
Net income (loss)	$ 3,882	$ (489)	$ (881)	$ 151	$ 2,653	$ 3,291	$ 528	$ 1,264
Per Share Data: [2]								
Basic net income (loss) per share	$ 0.14	$ (0.02)	$ (0.03)	$ 0.01	$ 0.09	$ 0.11	$ 0.02	$ 0.04
Diluted net income (loss) per share	$ 0.14	$ (0.02)	$ (0.03)	$ 0.01	$ 0.09	$ 0.11	$ 0.02	$ 0.04
Weighted average common stock outstanding								
Basic	27,722,222	27,722,222	27,855,701	28,002,222	28,070,400	29,179,571	28,094,388	29,866,954
Diluted	27,722,222	27,722,222	28,088,244	28,847,589	29,346,847	30,730,772	29,507,339	31,589,160
Other Financial Data:								
Net cash provided by operating activities	4,380	813	1,108	3,111	6,292	11,752	979	4,367
Net cash used in investing activities	(287)	(40,085)	(654)	(6,287)	(15,588)	(16,646)	(2,060)	(4,914)
Net cash provided by (used in) financing activities	(4,056)	40,600	(1,028)	4,030	9,750	6,169	813	107
Capital expenditures	287	116	654	6,029	15,395	16,370	1,996	4,840
Restaurant-Level EBITDA [3]	6,397	1,236	8,634	10,855	14,683	18,287	3,867	5,748
Restaurant-Level EBITDA margin [3]	18.6%	21.0%	20.5%	20.9%	21.2%	19.3%	19.0%	19.7%
Adjusted EBITDA [3]	4,522	831	5,731	7,321	10,349	13,369	2,709	4,389
Adjusted EBITDA margin [3]	13.2%	14.1%	13.6%	14.1%	14.9%	14.1%	13.3%	15.0%

	PREDECESSOR COMPANY	SUCCESSOR COMPANY						
			YEAR ENDED [1]				THIRTEEN WEEKS ENDED	
	JANUARY 1, 2006 - NOVEMBER 6, 2006	NOVEMBER 7, 2006 - DECEMBER 31, 2006	DECEMBER 30, 2007	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
			(Dollars in thousands, except per share data)					
Operating Data:								
Total restaurants (at end of period)	—	—	8	12	17	23	18	24
Total comparable restaurants (at end of period)	—	—	8	8	8	13	10	14
Average sales per comparable restaurant [4]	—	—	$ 5,247	$ 5,400	$ 5,292	$ 4,985	$ 1,257	$ 1,261
Change in comparable restaurant sales [4]	—	—	7.1%	2.9%	(2.0)%	0.7%	(2.9)%	6.7%
Average check [5]	—	—	$ 12.14	$ 12.66	$ 12.77	$ 12.74	$ 12.73	$ 12.89
Balance Sheet Data (at end of period):								
Cash and cash equivalents	—	$ 1,328	$ 754	$ 1,608	$ 2,062	$ 3,337	$ 1,794	$ 2,897
Net working capital (deficit)	—	(1,235)	(3,060)	(6,865)	(2,817)	861	(2,402)	(1,128)
Total assets	—	48,006	47,760	58,120	70,164	88,642	70,840	89,700
Total debt	—	17,527	16,514	20,364	29,914	30,732	30,727	30,839
Total stockholders' equity	—	24,690	27,345	28,691	31,920	40,968	32,551	42,330

(1) We utilize a 52- or 53-week accounting period which ends on the Sunday immediately preceding December 31. The fiscal years ended December 26, 2010, December 27, 2009, December 28, 2008 and December 30, 2007 all had 52 weeks. The fiscal year ended December 31, 2006 had 53 weeks.

(2) Gives effect to the conversion of our series A preferred stock, series B preferred stock and series X preferred stock to common stock prior to the consummation of this offering, assuming such conversion occurred on the first day of the period presented.

(3) Restaurant-Level EBITDA represents income (loss) from operations plus the sum of general and administrative expenses, restaurant pre-opening costs and depreciation and amortization. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization plus the sum of management fees and expenses, predecessor company adjustments, deferred compensation and restaurant pre-opening costs.

We are presenting Restaurant-Level EBITDA and Adjusted EBITDA, which are not prepared in accordance with U.S. generally accepted accounting principles, or GAAP. We present these measures because we believe that they provide an additional metric by which to evaluate our operations and, when considered together with our GAAP results and the reconciliation to our income from operations and net income, respectively, we believe they provide a more complete understanding of our business than could be obtained absent this disclosure. We use Restaurant-Level EBITDA and Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue, income from operations, net income and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. Restaurant-Level EBITDA and Adjusted EBITDA are presented because: (i) we believe they are useful measures for investors to assess the operating performance of our business without the effect of non-cash depreciation and amortization expenses; (ii) we believe that investors will find these measures useful in assessing our ability to service or incur indebtedness; and (iii) we use Restaurant-Level EBITDA and Adjusted EBITDA internally as benchmarks to evaluate our operating performance or compare our performance to that of our competitors. The use of Restaurant-Level EBITDA and Adjusted EBITDA as performance measures permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. Companies within our industry exhibit significant variations with respect to capital structures and cost of capital (which affect interest expense and tax rates) and differences in book depreciation of facilities and equipment (which affect relative depreciation expense), including significant differences in the depreciable lives of similar assets among various companies. Our management believes that Restaurant-Level EBITDA and Adjusted EBITDA facilitate company-to-company comparisons within our industry by eliminating some of the foregoing variations.

Restaurant-Level EBITDA and Adjusted EBITDA are not determined in accordance with GAAP and should not be considered in isolation or as an alternative to net income, income from operations, net cash provided by operating, investing or financing activities or other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. Restaurant-Level EBITDA and Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. Restaurant-Level EBITDA and Adjusted EBITDA as presented may not be comparable to other similarly titled measures of other companies and our presentation of Restaurant-Level EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual items.

Our management recognizes that Restaurant-Level EBITDA and Adjusted EBITDA have limitations as analytical financial measures, including the following:

- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect our capital expenditures or future requirements for capital expenditures;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, associated with our indebtedness;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect depreciation and amortization, which are non-cash charges, although the assets being depreciated and amortized will likely have to be replaced in the future, nor do Restaurant-Level EBITDA and Adjusted EBITDA reflect any cash requirements for such replacements;

- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect restaurant pre-opening costs.
- Restaurant-Level EBITDA does not reflect general and administrative expenses.

A reconciliation of Restaurant-Level EBITDA, Adjusted EBITDA and EBITDA to income from operations and net income is provided below.

	PREDECESSOR COMPANY	SUCCESSOR COMPANY						
			YEAR ENDED [1]				THIRTEEN WEEKS ENDED	
	JANUARY 1, 2006 - NOVEMBER 6, 2006	NOVEMBER 7, 2006 - DECEMBER 31, 2006	DECEMBER 30, 2007	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010	MARCH 28, 2010	MARCH 27, 2011
			(Dollars in thousands)					
Adjusted EBITDA:								
Income (loss) from operations	$ 3,883	$ (294)	$ 1,977	$ 2,861	$ 6,844	$ 8,303	$ 1,683	$ 2,702
Interest expense	1	414	2,832	2,823	3,114	3,584	913	889
Income tax provision (benefit) expense	—	(219)	26	(113)	1,077	1,428	242	549
Net income (loss)	$ 3,882	$ (489)	$ (881)	$ 151	$ 2,653	$ 3,291	$ 528	$ 1,264
Income tax provision (benefit) expense	—	(219)	26	(113)	1,077	1,428	242	549
Interest expense	1	414	2,832	2,823	3,114	3,584	913	889
Depreciation and amortization	339	70	518	785	1,549	2,732	592	925
EBITDA	$ 4,222	$ (224)	$ 2,495	$ 3,646	$ 8,393	$ 11,035	$ 2,275	$ 3,627
Deferred compensation [a]	—	845	2,660	2,438	(100)	—	—	—
Management fees and expenses [b]	—	158	571	370	383	375	94	94
Predecessor company adjustments [c]	300	52	—	—	—	—	—	—
Restaurant pre-opening costs [d]	—	—	5	867	1,673	1,959	340	668
Adjusted EBITDA	$ 4,522	$ 831	$ 5,731	$ 7,321	$ 10,349	$ 13,369	$ 2,709	$ 4,389
Restuarant-Level EBITDA:								
Income (loss) from operations	$ 3,883	$ (294)	$ 1,977	$ 2,861	$ 6,844	$ 8,303	$ 1,683	$ 2,702
General and administrative	2,175	1,460	6,134	6,342	4,617	5,293	1,252	1,453
Restaurant pre-opening [d]	—	—	5	867	1,673	1,959	340	668
Depreciation and amortization	339	70	518	785	1,549	2,732	592	925
Restaurant-Level EBITDA	$ 6,397	$ 1,236	$ 8,634	$ 10,855	$ 14,683	$ 18,287	$ 3,867	$ 5,748

(a) In connection with our acquisition by our Sponsor, we entered into employment agreements with certain employees pursuant to which we agreed to pay bonuses monthly over a two or three year period. The payment of the bonuses under certain of these employment agreements was subject to continued employment with us. For bonus payments subject to continued employment, we recognized the bonus payments as compensation expense on a straight-line basis over the requisite service period. With respect to certain agreements that were not subject to continued employment, we recognized the bonus payments as compensation expense at the time the expense was incurred. All required payments under these employment agreements have been made as of December 27, 2009. In accordance with these employment agreements, the entity owned by our Founders assumed the obligations to make future payments under the employment agreements. See "Certain Relationships and Related Party Transactions – Bonus Payments and Related Note."

(b) On November 7, 2006, in connection with the Sponsor's investment, we entered into an advisory agreement with our Sponsor, pursuant to which our sponsor agreed to provide us with certain financial advisory services. In exchange for these services, we pay the sponsor an aggregate annual management fee equal to $350,000, and we reimburse our sponsor for out-of-pocket expenses incurred in connection with the provision of services pursuant to the agreement. Upon the completion of this offering, we and our sponsor have agreed to terminate the advisory agreement in exchange for a termination fee of $2.0 million.

(c) Predecessor company adjustments include legal and management fees related to the acquisition of our predecessor, Chuy's Comida Deluxe, by our Sponsor.

(d) Restaurant pre-opening costs include expenses directly associated with the opening of new restaurants and are incurred prior to the opening of a new restaurant. See Note 1 to our audited consolidated financial statements for additional details.

Adjusted EBITDA margin is defined as the ratio of Adjusted EBITDA to revenues. We present Adjusted EBITDA margin because it is used by management as a performance measurement to judge the level of Adjusted EBITDA generated from revenues and we believe its inclusion is appropriate to provide additional information to investors.

(4) We consider a restaurant to be comparable in the first full quarter following the eighteenth month of operations. Change in comparable restaurant sales reflect changes in sales for the comparable group of restaurants over a specified period of time.

(5) Average check is calculated by dividing revenue by guest counts for a given period of time. Guest count is measured by the number of entrees sold.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Historical Consolidated Financial and Operating Data" and our consolidated financial statements and the related notes to those statements included elsewhere in this prospectus. The following discussion contains, in addition to historical information, forward-looking statements that include risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the heading "Risk Factors" and elsewhere in this prospectus.

General

We are a fast-growing, value-driven, full-service restaurant concept offering a distinct menu of authentic, high-quality Mexican food. We were founded in Austin, Texas in 1982 by Mike Young and John Zapp, and as of June 26, 2011, we operated 27 Chuy's restaurants across Texas, Tennessee, Kentucky, Alabama and Indiana.

We are committed to providing value to our guests through offering large portions of made-from-scratch, flavorful Tex Mex inspired dishes using fresh, high-quality ingredients. We also offer a full bar in all of our restaurants which serves our value-oriented beverage offerings and distinctive specialty cocktails. We believe the inimitable Chuy's culture is one of our most valuable assets, and we are committed to preserving and continually investing in our culture and our guests' restaurant experience.

Our restaurants have a common décor but are unique in format, offering an "unchained" look and feel, as expressed by our motto "If you've seen one Chuy's, you've seen one Chuy's!" Our restaurants have an upbeat, funky, eclectic, somewhat irreverent atmosphere while still maintaining a family-friendly environment. For additional information on our restaurants, see "Business."

Our Growth Strategies and Outlook

Our growth is based primarily on the following strategies:

- Pursue new restaurant development;
- Leverage scalable infrastructure and increase our margins; and
- Deliver consistent same store sales through providing high-quality food and service.

We plan to open a total of eight new restaurants in 2011 and an additional 35 to 40 new restaurants over the next five years. We have an established presence in Texas, the Southeast and the Midwest, with restaurants in multiple large markets in these regions. Our growth plan over the next five years focuses on developing additional locations in our existing core markets, new core markets and in smaller markets surrounding each of those core markets. For additional discussion of our growth strategies and outlook, see "Business—Our Business Strategies."

Performance Indicators

We use the following performance indicators in evaluating our performance:

- *Average Check*. Average check is calculated by dividing revenue by total entrees sold for a given time period. Average check reflects menu price influences as well as changes in menu mix. Our management team uses this indicator to analyze trends in guests preferences, effectiveness of menu changes and price increases and per guest expenditures.
- *Average Weekly Guests*. Average weekly guests is measured by the number of entrees sold per week. Our management team uses this metric to measure changes in customer traffic.
- *Average Unit Volume*. Average unit volume consists of the average sales of our comparable restaurants over a certain period of time. This measure is calculated by dividing total restaurant sales by total number of restaurants within a period by the relevant period. This indicator assists management in measuring changes in guest traffic, pricing and development of our brand.

- *Comparable Restaurant Sales*. We consider a restaurant to be comparable in the first full quarter following the 18th month of operations. Changes in comparable restaurant sales reflect changes in sales for the comparable group of restaurants over a specified period of time. Changes in comparable sales reflect changes in guest count trends as well as changes in average check. Our comparable restaurant base consisted of ten and 14 restaurants at March 28, 2010 and March 27, 2011, respectively, and eight, eight and 13 restaurants at December 28, 2008, December 27, 2009 and December 26, 2010, respectively.
- *Operating Margin*. Operating margin represents income from operations as a percentage of our revenue. By monitoring and controlling our operating margins, we can gauge the overall profitability of our company.

Our Fiscal Year

We operate on a 52- or 53-week fiscal year that ends on the last Sunday of the calendar year. Each quarterly period has 13 weeks, except for a 53-week year when the fourth quarter has 14 weeks. Our 2008, 2009 and 2010 fiscal years each consisted of 52 weeks.

Key Financial Definitions

Revenue. Revenue primarily consists of food and beverage sales, net of any discounts, such as management and employee meals, associated with each sale as well as merchandise sales, which includes sales of our t-shirts, sweatshirts and hats. To-go sales are included within food revenue. Revenue in a given period is directly influenced by the number of operating weeks in such period, the number of restaurants we operate and comparable restaurant sales growth.

Cost of Sales. Cost of sales consists primarily of food, beverage and merchandise related costs. The components of cost of sales are variable in nature, change with sales volume and are subject to increases or decreases based on fluctuations in commodity costs.

Labor Costs. Labor costs include restaurant management salaries, front- and back-of-house hourly wages and restaurant-level manager bonus expense, employee benefits and payroll taxes.

Operating Costs. Operating costs consist primarily of restaurant-related operating expenses, such as supplies, utilities, repairs and maintenance, travel costs, general liability and workers compensation insurance, credit card fees, recruiting, delivery service and security. These costs generally increase with sales volume but decline as a percentage of revenue.

Occupancy Costs. Occupancy costs include rent charges, both fixed and variable, as well as common area maintenance costs, property insurance and taxes, the amortization of tenant allowances and the adjustment to straight-line rent. These costs generally increase with sales volume but decline as a percentage of revenue.

General and Administrative Expenses. General and administrative expenses include costs associated with corporate and administrative functions that support our operations, including senior and supervisory management and staff compensation (including stock-based compensation) and benefits, travel, financial advisory fees paid to our Sponsor, legal and professional fees, information systems, corporate office rent and other related corporate costs. As a public company, we expect our stock-based compensation expense to increase. In addition, we estimate that we will incur approximately $1.5 to $2.0 million of incremental general and administrative expenses as a result of being a public company.

Marketing. Marketing costs include costs associated with our local restaurant marketing programs, community service and sponsorship activities, our menus and other promotional activities.

Restaurant Pre-opening Costs. Restaurant pre-opening costs consist of costs incurred during the five months before opening a restaurant, including manager salaries, relocation costs, supplies, recruiting expenses, initial new market public relations costs, pre-opening activities, employee payroll and related training costs for new employees. Restaurant pre-opening costs also include rent recorded during the period between date of possession and the restaurant opening date for our leased restaurant locations.

Depreciation and Amortization. Depreciation and amortization principally include depreciation on fixed assets, including equipment and leasehold improvements, and amortization of certain intangible assets for restaurants.

Interest Expense. Interest expense consists primarily of interest on our outstanding indebtedness. Our debt issuance costs are recorded at cost and are amortized over the lives of the related debt under the effective interest method.

Income Tax Expense. This represents liabilities related to taxable income at the federal, state and local levels.

Results of Operations

The following table presents the consolidated statement of operations for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, and the thirteen weeks ended March 28, 2010 and March 27, 2011, as well as, for the periods indicated, each line item as a percentage of revenue.

	YEAR ENDED						THIRTEEN WEEKS ENDED			
	DECEMBER 28, 2008	% OF REVENUE	DECEMBER 27, 2009	% OF REVENUE	DECEMBER 26, 2010	% OF REVENUE	MARCH 28, 2010	% OF REVENUE	MARCH 27, 2011	% OF REVENUE
	(Dollars in thousands, unless percentage)									
REVENUE	$ 51,868	—	$ 69,394	—	$ 94,908	—	$ 20,374	—	$ 29,209	—
OPERATING COSTS:										
Cost of sales	15,833	30.5%	20,120	29.0%	28,096	29.6%	6,050	29.7%	8,843	30.3%
Labor	14,956	28.8%	21,186	30.5%	30,394	32.0%	6,537	32.1%	9,191	31.5%
Operating	6,587	12.7%	8,558	12.3%	11,822	12.5%	2,506	12.3%	3,520	12.1%
Occupancy	3,248	6.3%	4,314	6.2%	5,654	6.0%	1,257	6.2%	1,687	5.8%
General and administrative	6,342	12.2%	4,617	6.7%	5,293	5.6%	1,252	6.1%	1,453	5.0%
Marketing	389	0.7%	533	0.8%	655	0.7%	157	0.8%	220	0.8%
Restaurant pre-opening	867	1.7%	1,673	2.4%	1,959	2.1%	340	1.7%	668	2.3%
Depreciation and amortization	785	1.5%	1,549	2.2%	2,732	2.9%	592	2.9%	925	3.2%
Total costs and expenses	49,007	94.5%	62,550	90.1%	86,605	91.3%	18,691	91.7%	26,507	90.7%
INCOME FROM OPERATIONS	2,861	5.5%	6,844	9.9%	8,303	8.7%	1,683	8.3%	2,702	9.3%
INTEREST EXPENSE	2,823	5.4%	3,114	4.5%	3,584	3.8%	913	4.5%	889	3.0%
INCOME BEFORE INCOME TAXES	38	0.1%	3,730	5.4%	4,719	5.0%	770	3.8%	1,813	6.2%
INCOME TAX PROVISION (BENEFIT) EXPENSE	(113)	(0.2)%	1,077	1.6%	1,428	1.5%	242	1.2%	549	1.9%
NET INCOME	$ 151	0.3%	$ 2,653	3.8%	$ 3,291	3.5%	$ 528	2.6%	$ 1,264	4.3%

Potential Fluctuations in Quarterly Results and Seasonality

Our quarterly operating results may fluctuate significantly as a result of a variety of factors, including the timing of new restaurant openings and related expenses, profitability of new restaurants, weather, increases or decreases in comparable restaurant sales, general economic conditions, consumer confidence in the economy, changes in consumer preferences, competitive factors, changes in food costs, changes in labor costs and rising gas prices. In the past, we have experienced significant variability in restaurant pre-opening costs from quarter to quarter primarily due to the timing of restaurant openings. We typically incur restaurant pre-opening costs in the five months preceding a new restaurant opening. In addition, our experience to date has been that labor and direct operating and occupancy costs associated with a newly opened restaurant during the first three to four months of operation are often materially greater than what will be expected after that time, both in aggregate dollars and as a percentage of restaurant sales. Accordingly, the number and timing of new restaurant openings in any quarter has had, and is expected to continue to have, a significant impact on quarterly restaurant pre-opening costs, labor and direct operating and occupancy costs.

Our business also is subject to fluctuations due to season and adverse weather. Our results of operations have historically been impacted by seasonality. The spring and summer months as well as December have traditionally had higher sales volume than other periods of the year. Holidays, severe winter weather, hurricanes, thunderstorms and similar conditions may impact restaurant unit volumes in some of the markets where we operate and may have a greater impact should they occur during our higher volume months. As a result of these and other factors, our financial results for any given quarter may not be indicative of the results that may be achieved for a full fiscal year.

Thirteen Weeks Ended March 27, 2011 Compared to Thirteen Weeks Ended March 28, 2010

Revenue. Revenue increased $8.8 million, or 43.4%, to $29.2 million for the thirteen weeks ended March 27, 2011, as compared to $20.4 million for the thirteen weeks ended March 28, 2010. This increase was driven by $7.7 million in incremental revenue from our non-comparable restaurants, which included an additional 84 operating weeks provided by one new restaurant opened in the first thirteen weeks of 2011 and five new restaurants opened in the last three quarters of 2010. Additionally, during this period, comparable restaurant sales increased 6.7% over the same period the prior year due to an increase in average weekly guests. Our revenue attributed to food, bar and merchandise sales remained steady at approximately 79.2%, 19.7% and 1.1% of total revenue, respectively.

Cost of Sales. Cost of sales increased $2.8 million, or 46.2%, to $8.8 million for the thirteen weeks ended March 27, 2011, as compared to $6.1 million for the thirteen weeks ended March 28, 2010. As a percentage of revenue, cost of sales increased to 30.3% in the first thirteen weeks of 2011, from 29.7% in the same period in 2010. This percentage increase resulted primarily from inflation in produce costs due to adverse weather conditions. During that same period, beverage and merchandise costs remained flat.

Labor Costs. Labor costs increased $2.7 million, or 40.6%, to $9.2 million for the thirteen weeks ended March 27, 2011, as compared to $6.5 million for the thirteen weeks ended March 28, 2010. This increase is primarily due to additional employee related expenses for staff for the six additional restaurants operating during the thirteen weeks ended March 27, 2011, as compared to the same period the prior year. As a percentage of revenue, labor costs decreased to 31.5% in the first thirteen weeks of 2011, from 32.1% in the same period in 2010, primarily as a result of improved labor efficiency in our established restaurants, partially offset by inefficiencies at our new restaurants and an increase in benefits and payroll taxes related to an increase in our headcount.

Operating Costs. Operating costs increased $1.0 million, or 40.5%, to $3.5 million for the thirteen weeks ended March 27, 2011, as compared to $2.5 million for the thirteen weeks ended March 28, 2010. This increase was primarily related to operating costs for incremental restaurants added between periods. As a percentage of revenue, operating costs decreased to 12.1% in the first thirteen weeks of 2011, compared to 12.3% in the same period in 2010 as a result of operating leverage.

Occupancy Costs. Occupancy costs increased $0.4 million, or 34.2%, to $1.7 million for the thirteen weeks ended March 27, 2011, as compared to $1.3 million for the thirteen weeks ended March 28, 2010. This increase resulted from six additional stores that were open in the thirteen weeks ended March 27, 2011, as compared to the same period in 2010. As a percentage of revenue, occupancy costs decreased to 5.8% in the first thirteen weeks of 2011, from 6.2% in the same period in 2010.

General and Administrative Expenses. General and administrative expenses increased $0.2 million, or 16.0%, to $1.5 million for the thirteen weeks ended March 27, 2011, as compared to $1.3 million for the thirteen weeks ended March 28, 2010. As a percentage of revenue, general and administrative expenses decreased to 5.0% for the first quarter of 2011, as compared to 6.1% for the same period in 2010. This decrease was the result of increased operating leverage as we continued to open new restaurants. We expect general and administrative expenses to increase during the remainder of 2011 due to additional supervisory and corporate staff to support our new restaurants and the costs associated with the implementation of our new back office software. We expect that our improvements in operating leverage will more than offset this increase in expenses.

Marketing Costs. As a percentage of revenue, marketing costs remained flat at approximately 0.8%. Our marketing costs in a particular period are generally limited to the period’s proportionate amount of our marketing budget of 0.8% of sales.

Restaurant Pre-opening Costs. Restaurant pre-opening costs increased by $0.3 million, or 96.5%, to $0.7 million for the thirteen weeks ended March 27, 2011, as compared to $0.3 million for the thirteen weeks ended March 28, 2010. This increase resulted primarily from five restaurants in development during the thirteen week period ended March 27, 2011 compared to one restaurant in development during the thirteen week period ended March 28, 2010.

Depreciation and Amortization. Depreciation and amortization increased $0.3 million from $0.6 million to $0.9 million, due to an increase in equipment and leasehold improvements as a result of additional restaurant

openings. As a percentage of revenue, depreciation and amortization expenses increased to 3.2% for the thirteen weeks ended March 27, 2011, from 2.9% for the thirteen weeks ended March 28, 2010.

Interest Expense. Interest expense remained flat at approximately $0.9 million for the thirteen weeks ended March 27, 2011, as compared to the thirteen weeks ended March 28, 2010. We entered into our new $67.5 million senior secured credit facility during May 2011. Under this new facility, we expect our interest rate to be lower than under our prior facilities. See “Description of Indebtedness” for more information about our credit facilities, including our new senior secured credit facility.

Income Tax Expense. Income tax expense was approximately $0.5 million for the first thirteen weeks of 2011, as compared to approximately $0.2 million for the comparable period in 2010. For the thirteen weeks ended March 27, 2011, the effective tax rate was 30.3% as compared to 31.4% for the thirteen weeks ended March 28, 2010. The effective tax rates differ from the statutory rate of 34.0% primarily due to tax credits attributable to payroll taxes on employee tips.

Year Ended December 26, 2010 Compared to Year Ended December 27, 2009

Revenue. Revenue increased $25.5 million, or 36.8%, to $94.9 million in 2010, from $69.4 million in 2009. This increase was driven by $25.1 million in additional revenue related to an additional 283 operating weeks provided by the six new restaurants opened in 2010 and the full year of operations of the five new restaurants opened in 2009. In addition, comparable store sales for 2010 increased 0.7% as compared to 2009. Our revenue attributed to food, bar and merchandise sales remained at approximately 79.1%, 19.7% and 1.2% of total revenue for 2010, respectively.

Cost of Sales. Cost of sales increased $8.0 million, or 39.6%, to $28.1 million in 2010, from $20.1 million in 2009. As a percent of revenue, cost of sales increased to 29.6% in 2010, from 29.0% in 2009. This percentage increase was primarily a result of an increase in dairy, cheese and produce costs. Beverage and merchandise costs remained flat.

Labor Costs. Labor costs increased $9.2 million, or 43.5%, to $30.4 million in 2010, from $21.2 million in 2009. This increase was primarily a result of an additional $9.3 million of labor costs incurred with respect to six new restaurants opened during 2010 and the full year of operations of the five restaurants opened in 2009. As a percentage of revenue, labor costs increased to 32.0% in fiscal 2010, from 30.5% in the same period in 2009, primarily as a result of increase in payroll, benefits and payroll taxes related to an increase in our headcount and inefficiencies at our new restaurants, partially offset by improved labor efficiency in our established restaurants.

Operating Costs. Operating costs increased $3.3 million, or 38.1%, to $11.8 million in 2010, from $8.6 million in 2009. As a percent of revenue, operating costs increased to 12.5% in 2010 from 12.3% in 2009. This percentage increase resulted in part from the increase in credit card fees and supplies as a result of the increase in revenue in 2010, as compared to 2009. This increase was also a result of increases in utilities, repairs and maintenance and insurance associated with the additional restaurants in 2010, as compared to 2009.

Occupancy Costs. Occupancy costs increased $1.3 million, or 31.0%, to $5.7 million in 2010, from $4.3 million in 2009. This increase resulted from six new restaurants opened in 2010 and the full year of operations of the five new restaurants opened in 2009. As a percentage of revenue, occupancy costs decreased to 6.0% in 2010, from 6.2% in 2009.

General and Administrative Expenses. General and administrative expenses increased $0.7 million, or 14.6%, to $5.3 million for 2010, as compared to $4.6 million for 2009. This increase was primarily the result of hiring additional management to support new restaurants. As a percent of revenue, general and administrative expenses decreased to 5.6% in 2010, from 6.7% in 2009, due to improved operating leverage.

Marketing Costs. As a percentage of revenue, marketing costs decreased to 0.7% in 2010 from 0.8% in 2009. Marketing costs remained relatively flat as our marketing budget is generally limited to 0.8% of sales.

Restaurant Pre-opening Costs. Restaurant pre-opening costs increased by $0.3 million, or 17.1%, to $2.0 million in 2010, from $1.7 million in 2009. The increase in restaurant pre-opening costs was due to the impact of opening six new restaurants in 2010, as compared to five new restaurants opened in 2009.

Depreciation and Amortization. Depreciation and amortization increased $1.2 million, or 76.4%, to $2.7 million in 2010, as compared to $1.5 million in 2009. As a percent of revenue, depreciation and amortization expenses increased to 2.9% in 2010 from 2.2% in 2009. This percentage increase primarily resulted from additional depreciation associated with new equipment and leasehold improvements associated with our new restaurants.

Interest Expense. Interest expense increased $0.5 million, or 15.0%, to $3.6 million in 2010, from $3.1 million in 2009. The increase was due to higher outstanding balances under our credit facilities. See “Description of Indebtedness” for additional information regarding our credit facilities.

Income Tax Expense. Income tax expense increased $0.4 million to $1.4 million in 2010, from $1.1 million in 2009. This increase was primarily due to an increase in taxable income in fiscal year 2010, as compared to the year ended December 28, 2009. For the year ended December 26, 2010, the effective tax rate was 30.3% as compared to 28.9% for the year ended December 28, 2009. The effective tax rate differs from the statutory rate of 34.0% primarily due to tax credits attributable to payroll taxes on employee tips.

Year Ended December 27, 2009 Compared to Year Ended December 28, 2008

Revenue. Revenue increased $17.5 million, or 33.8%, to $69.4 million in 2009 from $51.9 million in 2008. This increase was driven by $18.4 million in additional revenue related to an additional 217 operating weeks provided by the five new restaurants opened in 2009 and the full year of operations of the four restaurants opened in 2008. This increase was partially offset by a $0.9 million, or 2.0%, decline in comparable restaurant sales, driven by a decline in average weekly guests at our comparable restaurants. Our revenue attributed to food, bar and merchandise sales remained at approximately 78.7%, 19.9% and 1.4% of total revenue for 2009, respectively.

Cost of Sales. Cost of sales increased $4.3 million, or 27.1%, to $20.1 million in fiscal 2009, from $15.8 million in fiscal 2008. As a percent of revenue, cost of sales declined to 29.0% in 2009 compared to 30.5% in 2008. The decrease in cost of sales as a percentage of revenue primarily resulted from our decrease in food costs during 2009 as a result of significant price decreases in certain of our key products such as meat, dairy and cheese. During that same period, beverage costs decreased 1.0%.

Labor Costs. Labor costs increased $6.2 million, or 41.7%, to $21.2 million in 2009, from $15.0 million in 2008. This increase was a result of an additional $5.1 million of labor costs incurred with respect to five new restaurants opened during 2009 and the full year of operations of the four restaurants opened in 2008, as well as increases in support staff at our existing restaurants. As a percent of revenue, labor costs increased to 30.5% in 2009 from 28.8% in 2008, primarily as a result of increase in payroll, benefits and payroll taxes related to an increase in our headcount and inefficiencies at our new restaurants, partially offset by improved labor efficiency in our established restaurants.

Operating Costs. Operating costs increased $2.0 million, or 29.9%, to $8.6 million in 2009, from $6.6 million in 2008. This increase was primarily due to increases in credit card fees and supplies resulting from an increase in revenue. As a percent of revenue, operating costs decreased to 12.3% in 2009 compared to 12.7% in 2008.

Occupancy Costs. Occupancy costs increased $1.1 million, or 32.8%, to $4.3 million in 2009, from $3.2 million in 2008. This increase resulted from five new restaurants opened in 2009 and the full year of operations of the four new restaurants opened in 2008. As a percentage of revenue, occupancy costs remained flat in 2009 as compared to 2008.

General and Administrative Expenses. General and administrative expenses decreased $1.7 million, or 27.2%, to $4.6 million in 2009 from $6.3 million for 2008. This decrease was driven by the non-recurrence of our deferred compensation expenses and our greater operating leverage. The decrease was partially offset by an increase in salaries. As a percent of revenue, general and administrative expenses decreased to 6.7% in 2009 from 12.2% in 2008.

Marketing Costs. As a percentage of revenue, marketing costs remained flat at approximately 0.8%. Our marketing costs in a particular period are generally limited to the period’s proportionate amount of our marketing budget of 0.8% of sales.

Restaurant Pre-opening Costs. Restaurant pre-opening costs increased by $0.8 million, or 93.0%, to $1.7 million in 2009 from $0.9 million in 2008. The increase resulted primarily from opening five new restaurants in 2009, as

compared to four new restaurants in 2008. The increase was also due in part to the increase in restaurant pre-opening costs in 2009 associated with opening our first restaurant outside of Texas in Nashville, Tennessee, which resulted in increases in training and travel expenses and the incurrence of expenses for management relocation and public relations services.

Depreciation and Amortization. As a percent of revenue, depreciation and amortization expenses increased slightly to 2.2% in 2009, as compared to 1.5% in 2008 due to increases in purchases of property and equipment for new restaurants.

Interest Expense. Interest expense increased $0.3 million, or 10.4%, to $3.1 million in 2009 from $2.8 million in 2008. The increase was due to greater outstanding borrowings under our credit facilities during 2009, as compared to 2008.

Income Tax Expense. Income tax expense increased $1.2 million to $1.1 million in 2009 from a $0.1 million benefit in 2008. This increase was primarily the result of an increase in income before taxes in 2009, as compared to 2008. For the year ended December 28, 2009, the effective tax rate was 28.9% as compared to a benefit of 297.4% for the year ended December 30, 2008. The effective tax rate differs from the statutory rate of 34.0% primarily due to tax credits attributable to payroll taxes on employee tips.

Liquidity

Our principal sources of cash are net cash provided by operating activities and borrowings under our new $67.5 million senior secured credit facility, which we entered into on May 24, 2011. As of March 27, 2011, we had approximately $2.9 million in cash and cash equivalents. At June 26, 2011, we had approximately $15.0 million of availability under our new senior secured credit facility. Our need for capital resources is driven by our restaurant expansion plans, ongoing maintenance of our restaurants, investment in our corporate and information technology infrastructure, obligations under our operating leases and interest payments on our debt. Based on our current growth plans, we believe our expected cash flows from operations, available borrowings under our new senior secured credit facility and expected tenant incentives will be sufficient to finance our planned capital expenditures and other operating activities for the next twelve months.

Consistent with many other restaurant and retail chain store operations, we use operating lease arrangements for our restaurants. We believe that these operating lease arrangements provide appropriate leverage of our capital structure in a financially efficient manner. We have entered into operating leases with certain related parties with respect to six of our restaurants and our corporate headquarters. See “Certain Relationships and Related Party Transactions” for additional information about these operating leases. Currently, operating lease obligations are not reflected as indebtedness on our consolidated balance sheet.

Our liquidity may be adversely affected by a number of factors, including a decrease in guest traffic or average check per guest due to changes in economic conditions, as described elsewhere in this prospectus under the heading “Risk Factors.”

Cash Flows for Thirteen Weeks Ended March 28, 2010 and March 27, 2011

The following table summarizes the statement of cash flows for the thirteen weeks ended March 28, 2010 and March 27, 2011:

	MARCH 28, 2010	MARCH 27, 2011
	(In thousands)	
Cash flows provided by operating activities	$ 979	$ 4,367
Cash flows used in investing activities	(2,060)	(4,914)
Cash flows provided by financing activities	813	107
Net decrease in cash and cash equivalents	(268)	(440)
Cash and cash equivalents at beginning of period	2,062	3,337
Cash and cash equivalents at end of period	$ 1,794	$ 2,897

Operating Activities. Net cash provided by operating activities was $4.4 million for the thirteen weeks ended March 27, 2011, compared to $1.0 million for the thirteen weeks ended March 28, 2010. Our business is almost exclusively a cash business. Almost all of our receipts come in the form of cash and cash equivalents and a large majority of our expenditures are paid within a 30 day period. The increase in net cash provided by operating activities in the first thirteen weeks of 2011 compared to the same period in 2010 was primarily due to an increase in net income of $0.7 million, an increase of $1.0 million in lease incentives and higher non-cash expenses, including depreciation and amortization and deferred income taxes.

Investing Activities. Net cash used in investing activities was $4.9 million for the thirteen weeks ended March 27, 2011, compared to $2.1 million for the thirteen weeks ended March 28, 2010. The increase in net cash used in investing activities resulted from a $2.8 million increase in capital expenditures related to equipment and the buildout or conversion of our new restaurants. During the first thirteen weeks of 2011, we opened one restaurant and had three new restaurants under development, while in the first thirteen weeks of 2010, we opened one restaurant and had one new restaurant under development.

Financing Activities. Net cash provided by financing activities was $0.1 million for the first thirteen weeks of 2011, compared to $0.8 million of cash provided in the first thirteen weeks of 2010. On May 24, 2011, we replaced our $20.0 million credit facility with Wells Fargo Capital Finance, Inc. (“Wells Fargo Credit Facility”) and $10.0 million credit facility with HBK Investments L.P. (“HBK Credit Facility”) with a new $67.5 million senior secured credit facility with GCI Capital Markets, General Electric Capital Corporation and a syndicate of other financial institutions. Among other things, we used the proceeds from our new senior secured credit facility to repay the Wells Fargo Credit Facility and the HBK Credit Facility, to pay a $19.0 million dividend to our stockholders and to pay a $1.0 million special bonus to members of our management. For more information about our credit facilities, see “Description of Indebtedness.”

As of June 26, 2011, we had no financing transactions, arrangements or other relationships with any unconsolidated entities or related parties. Additionally, we had no financing arrangements involving synthetic leases or trading activities involving commodity contracts.

Cash Flows For Year Ended December 26, 2010, Year Ended December 27, 2009 and Year Ended December 28, 2008

The following table summarizes the statement of cash flows for the years ended December 26, 2010, December 27, 2009 and December 28, 2008:

	FISCAL YEAR ENDED		
	DECEMBER 28, 2008	DECEMBER 27, 2009	DECEMBER 26, 2010
	(In thousands)		
Cash flows provided by operating activities	$ 3,111	$ 6,292	$ 11,752
Cash flows used in investing activities	(6,287)	(15,588)	(16,646)
Cash flows provided by financing activities	4,030	9,750	6,169
Net increase in cash and cash equivalents	854	454	1,275
Cash and cash equivalents at beginning of period	754	1,608	2,062
Cash and cash equivalents at end of period	$ 1,608	$ 2,062	$ 3,337

Operating Activities. Net cash provided by operating activities was $11.8 million in 2010, compared to $6.3 million in 2009 and $3.1 million in 2008. The increase in net cash provided by operating activities in 2010, as compared to 2009 was $5.5 million. This increase was primarily due to $2.8 million increase in lease incentives, as compared to the prior year and also higher non-cash costs, such as depreciation and amortization and deferred income taxes. The increase in net cash provided by operating activities in 2009, as compared to 2008 was $3.2 million. This increase was primarily due to a $0.9 million increase in lease incentives, as compared to prior year and also higher non-cash costs, such as depreciation and amortization and deferred income taxes.

Investing Activities. Net cash used in investing activities was $16.6 million in 2010, $15.6 million in 2009 and $6.3 million in 2008. We used cash primarily to purchase property and equipment and to make leasehold improvements related to our restaurant expansion plans. During 2009, we used $3.8 million to make the final contingent purchase price payment for Chuy's Arbor Trails. For additional information, see "Certain Relationships and Related Party Transactions—Purchase of Arbor Trails Restaurant." The fluctuations in net cash used in investing activities for the periods presented is directly related to the number of new restaurants opened and in development during each period. In fiscal 2010, we opened six new restaurants and, in fiscal years 2009 and 2008, opened five and four restaurants, respectively.

Financing Activities. Net cash provided by financing activities was $6.2 million in 2010, $9.8 million in 2009 and $4.0 million in 2008. Net cash provided by financing activities in 2010 was primarily the result of $5.0 million in proceeds from the sale of our series X preferred stock in May 2010 and $0.4 million in proceeds from the sale of our common stock in December 2010 and $0.8 million in borrowings under the Wells Fargo Credit Facility. Net cash provided by financing in 2010 decreased, as compared to 2009 due to a substantial reduction in our borrowings under our prior credit facilities, partially offset by the increase in capital contribution from the sale of our series X preferred stock and common stock in 2010. For additional information about the sales of our securities during 2010, see "Certain Relationships and Related Party Transactions – 2010 Stock Sale." Net cash provided by financing activities in 2009 was primarily the result of borrowings, net of payments, of $9.5 million under the Wells Fargo Credit Facility. Net cash provided by financing activities in 2008 was primarily the result of borrowings, net of payments, of $3.8 million under the Wells Fargo Credit Facility.

Capital Resources

Long-Term Capital Requirements. Our capital requirements are primarily dependent upon the pace of our growth plan and resulting new restaurants. Our growth plan is dependent upon many factors, including economic conditions, real estate markets, restaurant locations and nature of lease agreements. Our capital expenditure outlays are also dependent on costs for maintenance and capacity addition in our existing restaurants as well as information technology and other general corporate capital expenditures.

The capital resources required for a new restaurant depend on whether the restaurant is a ground-up buildout or a conversion. We estimate that each ground-up buildout restaurant will require a total cash investment of $1.7 million to $2.5 million (net of estimated tenant incentives of between zero and $0.8 million). We estimate that each conversion will require a total cash investment of $2.0 million to $2.2 million. In addition to the cost of the conversion or ground-up buildout, we expect to spend approximately $300,000 to $350,000 per restaurant for restaurant pre-opening costs. We target a cash-on-cash return beginning in the third operating year of 40.0%, and a sales to investment ratio of 2:1 for our new restaurants. On average, returns on units opened since 2008 have exceeded these target returns in the second year of operations.

We expect that our capital expenditure outlays for 2011 will be approximately $16.4 million, net of $4.6 million in agreed upon tenant incentives and excluding approximately $2.6 million of restaurant pre-opening costs for new restaurants that are not capitalized, of which we had spent $0.7 million at March 27, 2011. These capital expenditure projections include $14.7 million for the opening of eight new restaurants, $0.2 million for information technology infrastructure and $1.5 million for capacity addition expenditures and improvements to our existing restaurants and general corporate capital expenditures.

For 2012, we currently estimate capital expenditure outlays will range between $16.3 million and $20.7 million, net of agreed upon tenant incentives and excluding approximately $2.3 million to $2.9 million of restaurant pre-opening costs for new restaurants that are not capitalized. These capital expenditure projections are primarily related to $2.1 million each for the opening of seven to nine new restaurants and $1.7 million for capacity addition expenditures and improvements to our existing restaurants and general corporate capital expenditures.

Based on our growth plans, we believe our combined expected cash flows from operations, available borrowings under our new senior secured credit facility and expected tenant incentives will be sufficient to finance our planned capital expenditures and other operating activities in fiscal 2011 and 2012.

Short-Term Capital Requirements. Our operations have not required significant working capital and, like many restaurant companies, we operate with negative working capital. Restaurant sales are primarily paid for in cash or by credit card, and restaurant operations do not require significant inventories or receivables. In addition, we receive trade credit for the purchase of food, beverages and supplies, therefore reducing the need for incremental working capital to support growth. We had a net working capital deficit of $1.1 million at March 27, 2011, compared to net working capital of $0.9 million at December 26, 2010 and a net working capital deficit of $2.4 million at March 28, 2010.

Off-Balance Sheet Arrangements

As part of our on-going business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of March 27, 2011, we are not involved in any variable interest entities transactions and do not otherwise have any off-balance sheet arrangements.

Commitments and Contingencies

The following table summarizes contractual obligations at December 26, 2010 on an actual basis.

	PAYMENT DUE BY PERIOD				
	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
Contractual Obligations					
Long-Term Debt Obligations [1]	$ 32,568,963	$ 32,568,963	$ —	$ —	$ —
Operating Lease Obligations [2]	74,335,001	5,811,641	12,474,817	12,954,952	43,093,591
Purchase Obligations [3]	8,376,321	8,376,321	—	—	—
Total	$ 115,280,284	$ 46,756,924	$ 12,474,817	$ 12,954,952	$ 43,093,591

[1] Reflects our long-term obligations under the original scheduled repayments of our obligations under the Wells Fargo Credit Facility and HBK Credit Facility. In May 2011, in connection with entering into our new senior secured credit facility, we repaid all outstanding principal and interest under the Wells Fargo Credit Facility and HBK Credit Facility. Long-term debt obligations does not reflect our obligations under our new senior secured credit facility that we entered into in May 2011. Under our new senior secured credit facility, we will be obligated to pay $2.9 million, $10.3 million and $12.4 million in the periods of less than one year, one to three years and three to five years, respectively. Additionally, upon consummation of this offering, we will be required to make a mandatory prepayment of $ under our new senior secured credit facility.

[2] Reflects the aggregate minimum lease payments for our restaurant operations and corporate office. Operating lease obligations excludes contingent rent payments that may be due under certain of our leases based on a percentage of sales.

[3] Includes contractual purchase commitments for the purchase of goods related to system restaurant operations and commitments for construction of new restaurants.

Critical Accounting Policies

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Our significant accounting policies are described in Note 1 to our Consolidated Financial Statements. Critical accounting estimates are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods.

Sales recognition at our restaurants is straightforward as customers pay for products at the time of sale and inventory turns over very quickly. Payments to vendors for products sold in the restaurants are generally settled within 30 days.

Critical accounting estimates and judgments, as noted below, are inherent in lease accounting, property accounting, assessing impairment of long-lived assets, the assessment of goodwill and other intangible assets for impairment, income tax matters, and the determination of stock based compensation. While we apply our judgment based on

assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions.

Leases. We currently lease all of our restaurant locations. We evaluate each lease to determine its appropriate classification as an operating or capital lease for financial reporting purposes. All of our existing leases are classified as operating leases. We record the minimum lease payments for our operating leases on a straight-line basis over the lease term, including option periods which in the judgment of management are reasonably assured of renewal. The lease term commences on the date that we obtain control of the property, which is normally when the property is ready for tenant improvements. Contingent rent expense is based on either a percentage of restaurant sales or as a percentage of restaurant sales in excess of a defined amount. We use sales trends to estimate achievement of these defined amounts. We accrue contingent rent expense based on these estimated sales. Our lease costs will change based on the lease terms of our lease renewals as well as leases that we enter into with respect to our new restaurants.

Property and Equipment. Property and equipment are recorded at cost. Equipment consists primarily of restaurant equipment, furniture and fixtures. Expenditures for major additions or improvements are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term, including option periods, which in our judgment are reasonably assured of renewal, and the estimated useful life of the asset. The useful life of property and equipment involves judgment by management, which may produce materially different amounts of depreciation expense than if different assumptions were used. Property and equipment expenditures may fluctuate based on the number of new restaurants under development or opened, as well as any additional capital projects that are completed in a given period.

Leasehold improvements financed by the landlord through lease incentive allowances are capitalized as leasehold improvements with the allowances recorded as deferred lease incentives. Deferred lease incentives are accreted on a straight-line basis over the lesser of the life of the asset or the lease term, including option periods which in the judgment of management are reasonably assured of renewal (same useful life that is used for related leasehold improvements) and are recorded as a reduction of occupancy expense. As part of the initial lease terms, we negotiate with our landlords to secure these tenant improvement allowances. There is no guarantee that we will receive tenant improvement allowances for any of our future locations, which could result in additional occupancy expenses.

Impairment of Long-Lived Assets. We review long-lived assets, such as property and equipment and intangibles, subject to amortization, for impairment when events or circumstances indicate the carrying value of the assets may not be recoverable. In determining the recoverability of the asset value, an analysis is performed at the individual restaurant level and primarily includes an assessment of historical cash flows and other relevant factors and circumstances. The other factors and circumstances include changes in the economic environment, changes in the manner in which assets are used, unfavorable changes in legal factors or business climate, incurring excess costs in construction of the asset, overall restaurant operating performance and projections for future performance. These estimates result in a wide range of variability on a year to year basis due to the nature of the criteria. Negative restaurant-level cash flow over the previous 12-month period is considered a potential impairment indicator. In such situations, we evaluate future undiscounted cash flow projections in conjunction with qualitative factors and future operating plans. Our impairment assessment process requires the use of estimates and assumptions regarding future undiscounted cash flows and operating outcomes, which are based upon a significant degree of management’s judgment.

Based on this analysis, if the carrying amount of the assets is less than the estimated future cash flows, an impairment charge is recognized. In performing our impairment testing, we forecast our future undiscounted cash flows by looking at recent restaurant level performance, restaurant level operating plans, sales trends, and cost trends for cost of sales, labor and operating expenses. We believe that this combination of information gives us a fair benchmark to estimate future undiscounted cash flows. We compare this cash flow forecast to the asset’s carrying value at the restaurant. If the predicted future undiscounted cash flow does not exceed the long-lived asset’s carrying value, we impair the assets related to that restaurant on a pro-rata basis of the relative carrying values of the long-lived assets.

Continued economic deterioration within our respective markets may adversely impact consumer discretionary spending and may result in lower restaurant sales. Unfavorable fluctuations in our commodity costs, supply costs and labor rates, which may or may not be within our control, may also impact our operating margins. Any of these factors could as a result affect the estimates used in our impairment analysis and require additional impairment tests and charges to earnings. We continue to assess the performance of our restaurants and monitor the need for future impairment. There can be no assurance that future impairment tests will not result in additional charges to earnings.

Goodwill and Other Intangible Assets. Goodwill and indefinite life intangible assets are not amortized but are tested annually on the first day of the fourth quarter, or more frequently if events or changes in circumstances indicate that the assets might be impaired. In assessing the recoverability of goodwill and indefinite life intangible assets, the Company must make assumptions about the estimated future cash flows and other factors to determine the fair value of these assets.

For goodwill, the impairment evaluation includes a comparison of the carrying value of the reporting unit (including goodwill) to that reporting unit's fair value. If the operating unit's estimated fair value exceeds the reporting unit's carrying value, no impairment of goodwill exists. If the fair value of the unit does not exceed the unit's carrying value, then an additional analysis is performed to allocate the fair value of the reporting unit to all of the assets and liabilities of that unit as if that unit had been acquired in a business combination and the fair value of the unit was the purchase price. If the excess of the fair value of the reporting unit over the fair value of the identifiable assets and liabilities is less than the carrying value of the unit's goodwill, an impairment charge is recorded for the difference.

Similarly, the impairment evaluation for indefinite life intangible assets includes a comparison of the asset's carrying value to the asset's fair value. Fair value is estimated primarily using future discounted cash flow projections in conjunction with qualitative factors and future operating plans. When the carrying value exceeds fair value, an impairment charge is recorded for the amount of the difference. An intangible asset is determined to have an indefinite useful life when there are no legal, regulatory, contractual, competitive, economic or any other factors that may limit the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The Company also annually evaluates intangible assets that are not being amortized to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is determined to have a finite useful life, the asset will be amortized prospectively over the estimated remaining useful life and accounted for in the same manner as intangible assets subject to amortization.

At December 27, 2009 and December 26, 2010, none of the Company's intangible assets or goodwill were impaired.

Income Tax. Income tax provisions consist of federal and state taxes currently due, plus deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized when management considers the realization of those assets in future periods to be more likely than not. Future taxable income, adjustments in temporary difference, available carryforward periods and changes in tax laws could affect these estimates.

Stock-Based Compensation. Compensation cost for stock options granted is determined based on the fair value of the option at the date of grant and is recognized, net of estimated forfeitures, over the award's requisite service period on a straight-line basis. We use the Black-Scholes valuation model to determine the fair value of our stock options, which requires assumptions to be made regarding our stock price volatility, the expected life of the award, risk-free interest rate, and expected dividend rates. The volatility assumptions were derived from the volatilities of comparable public restaurant companies. Had we used different assumptions of stock price volatility or expected lives of our options, our stock-based compensation expense and results of operations could have been different.

Recent Accounting Pronouncements

For information about recent accounting pronouncements that apply to us, see Note 1 to our consolidated financial statements.

Inflation

Our profitability is dependent, among other things, on our ability to anticipate and react to changes in the costs of key operating resources, including food and other raw materials, labor, energy and other supplies and services. Substantial increases in costs and expenses could impact our operating results to the extent that such increases cannot be passed along to our restaurant guests. The impact of inflation on food, labor, energy and occupancy costs can significantly affect the profitability of our restaurant operations.

Many of our restaurant staff members are paid hourly rates related to the federal minimum wage. In fiscal 2007, Congress enacted an increase in the federal minimum wage implemented in two phases, beginning in fiscal 2007 and concluding in fiscal 2009. In addition, numerous state and local governments increased the minimum wage within their jurisdictions, with further state minimum wage increases going into effect in fiscal 2010. Certain operating costs, such as taxes, insurance and other outside services continue to increase with the general level of inflation or higher and may also be subject to other cost and supply fluctuations outside of our control.

While we have been able to partially offset inflation and other changes in the costs of key operating resources by gradually increasing prices for our menu items, more efficient purchasing practices, productivity improvements and greater economies of scale, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions could limit our menu pricing flexibility. In addition, macroeconomic conditions could make additional menu price increases imprudent. There can be no assurance that all future cost increases can be offset by increased menu prices or that increased menu prices will be fully absorbed by our restaurant guests without any resulting changes in their visit frequencies or purchasing patterns. A majority of the leases for our restaurants provide for contingent rent obligations based on a percentage of revenue. As a result, rent expense will absorb a proportionate share of any menu price increases in our restaurants. There can be no assurance that we will continue to generate increases in comparable restaurant sales in amounts sufficient to offset inflationary or other cost pressures.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are subject to interest rate risk in connection with our long-term indebtedness. Our principal interest rate exposure relates to loans outstanding under our new senior secured credit facility that we entered into in May 2011. As of July 1, 2011, we made an interest rate election and, as a result, all outstanding indebtedness under our new senior secured credit facility bears interest at a variable rate based on Libor. Assuming the prepayment of $ under our new senior secured credit facility in conjunction with the initial public offering and an initial public offering price of $ per share, which is the midpoint of the range set forth on the cover of this prospectus, each eighth point change in interest rates on the variable portion of indebtedness under our new senior secured credit facilities would result in a $ million annual change in our interest expense.

Commodity Price Risk

We are exposed to market price fluctuation in food product prices. Given the historical volatility of certain of our food product prices, including produce, chicken, beef and cheese, these fluctuations can materially impact our food and beverage costs. While we have taken steps to enter into long term agreements for some of the commodities used in our restaurant operations, there can be no assurance that future supplies and costs for such commodities will not fluctuate due to weather and other market conditions outside of our control.

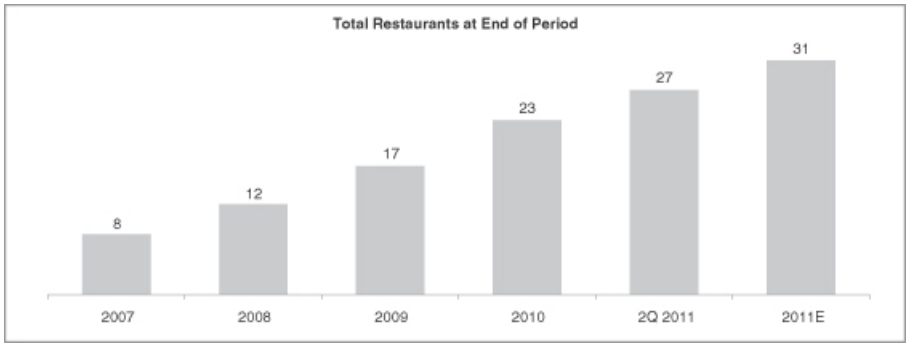
Consequently, such commodities can be subject to unforeseen supply and cost fluctuations. Dairy costs can also fluctuate due to government regulation. Because we typically set our menu prices in advance of our food product prices, we cannot immediately take into account changing costs of food items. To the extent that we are unable to pass the increased costs on to our guests through price increases, our results of operations would be adversely affected. We do not use financial instruments to hedge our risk to market price fluctuations in our food product prices at this time.

BUSINESS

Business Overview

Chuy's is a fast-growing, value-driven, full-service restaurant concept offering a distinct menu of authentic, high-quality Mexican food. We were founded in Austin, Texas in 1982 by Mike Young and John Zapp and, as of June 26, 2011, we operated 27 Chuy's restaurants across Texas, Tennessee, Kentucky, Alabama and Indiana, with an average unit volume of $5.0 million for our comparable restaurants for the twelve months ended March 27, 2011. Our restaurants have a common décor but each location is unique in format, offering an "unchained" look and feel, as expressed by our motto "If you've seen one Chuy's, you've seen one Chuy's!" Our restaurants have an upbeat, funky, eclectic, somewhat irreverent atmosphere while still maintaining a family-friendly environment. We are committed to providing value to our guests through offering large portions of made-from-scratch, flavorful Tex Mex inspired dishes using fresh, high-quality ingredients. Our employees are a key element of our culture and set the tone for a fun, family-friendly atmosphere with personalized service. We believe the inimitable Chuy's culture is one of our most valuable assets, and we are committed to preserving and continually investing in our culture and our guests' restaurant experience.

We have successfully grown the total number of Chuy's restaurants from eight locations as of December 31, 2007 to 27 locations as of June 26, 2011. In the first half of 2011, we opened four restaurants and plan to open an additional four by the end of the year, representing a compound annual growth rate of 40.3% since year-end 2007. From fiscal year 2007 to the twelve months ended March 27, 2011, our annual revenue increased from $42.1 million to $103.7 million, Adjusted EBITDA increased from $5.7 million to $15.0 million and our income from operations increased from $2.0 million to $9.3 million, representing compounded annual growth rates of 32.1%, 34.9% and 60.8%, respectively. For a reconciliation of Adjusted EBITDA, a non-GAAP term, to income from operations, see footnote 4 to "—Summary Historical Financial and Operating Data." Our change in comparable restaurant sales has outperformed the KNAPP-TRACK™ index of casual dining restaurants for each of the last five years. In our most recent quarterly period ended March 27, 2011, comparable restaurant sales increased 6.7% over the same period from the prior year. We believe that the broad appeal of our concept and our compelling restaurant model provide us with significant opportunities for continued profitable growth.



Our imaginative core menu was established using authentic recipes from family and friends of our founders, and has remained relatively unchanged over the years. We offer the same menu during lunch and dinner, which includes enchiladas, fajitas, tacos, burritos, combination platters and daily specials, complemented by a variety of appetizers, soups and salads. Each of our restaurants also offers a variety of authentic, flavorful, homemade sauces, including the signature Hatch green chile and creamy jalapeño sauces, all of which we make from scratch daily in each restaurant using high-quality ingredients. These sauces are a key element of our offering and provide our customers with an added ability to customize their orders. Our menu offers significant value to our guests, with only three out of 49 menu items priced over $10.00. We also offer a full-service bar in all of our restaurants providing our guests a variety of value-oriented beverage offerings. We feature a distinctive selection of specialty cocktails including our signature

on-the-rocks margaritas made with fresh, hand-squeezed lime juice and the Texas Martini, a made-to-order, hand-shaken cocktail served with special jalapeño-stuffed olives. The bar represents an important aspect of our concept, where guests frequently gather prior to being seated. For the twelve months ended March 27, 2011, alcoholic beverages constituted 19.8% of our total restaurant sales.

We strive to create a unique and memorable customer experience at each of our locations. While the layout in each of our restaurants varies, we maintain distinguishable elements across our locations, including hand-carved, hand-painted wooden fish imported from Mexico, a variety of vibrant Mexican folk art, a "Nacho Car" that provides complimentary chips, salsa and chile con queso in the trunk of a classic car, vintage hubcaps hanging from the ceiling, colorful hand-made floor and wall tile and festive metal palm trees. Our restaurants range in size from 5,300 to 12,500 square feet, with average seating for approximately 300 guests. Nearly all of our restaurants feature outdoor patios. Additionally, our flexible seating arrangements allow us to cater to families and parties of all sizes including larger groups, a key differentiator for us versus casual dining operators. Our brand strategy of having an "unchained" look and feel allows our restaurants to establish their own identity and provides us with a flexible real estate model. Our site selection process is focused on conversions of existing restaurants as well as new ground-up prototypes in high-quality locations. Our restaurants are open for lunch and dinner seven days a week. We serve approximately 7,500 customers per location per week or 400,000 customers per location per year, on average, by providing high-quality, freshly prepared food at a competitive, compelling price point. We believe that many of Chuy's frequent guests visit one of our restaurants multiple times per week.

Our Business Strengths

Over our 29-year operating history, we have developed and refined the following strengths:

Fresh, Authentic Mexican Cuisine. Our goal is to provide unique, authentic Mexican food using only the freshest ingredients. Every day in each restaurant, we roast and hand pull whole chickens, hand roll fresh tortillas, squeeze fresh lime juice and prepare fresh guacamole from whole avocados. In addition, we make all nine to eleven of our authentic, flavorful, homemade sauces daily using high-quality ingredients. This commitment to made-from-scratch, freshly prepared cooking results in great tasting, high-quality food, a sense of pride among our restaurant employees and loyalty among our guests. Some of our kitchen managers travel to Hatch, New Mexico every summer to hand-select batches of our iconic green chiles. Our commitment to serving the highest quality food is also evidenced by us serving only Choice quality beef. Our culture revolves around freshly-prepared food, as there are no walk-in freezers in our prototype kitchens. We believe our servers and kitchen staff are highly proficient in executing the core menu and capable of satisfying large quantities of custom orders, as the majority of our orders are customized. Additionally, we believe our superior, "crave-able" food offering is the core of our concept and has differentiated us from our competitors.

Exceptional Dining Value with Broad Customer Appeal. We are committed to providing value to our guests through offering large portions of flavorful Tex Mex inspired dishes using fresh, high-quality ingredients. We believe our menu offers a considerable value proposition to our guests, with only three out of our 49 menu items priced over $10.00. For the twelve months ended March 27, 2011, our average check was $12.90, which we believe is lower than all of our primary competitors. We empower our employees to make sure that each plate is prepared according to our presentation and recipe standards.

Although our core demographic is ages 21 to 44, we believe our restaurants appeal to a broad spectrum of customers and will continue to benefit from trends in consumers' preferences. We believe consumers are craving bold, "high taste profile" foods, like those featured in our core offering. Additionally, we believe our brand appeals to a wide demographic and will continue to benefit from the growing demand for fresh, authentic Mexican food and a fun, festive dining experience. We are also a popular venue for families and other large parties, and consider many of our restaurants to be destination locations, drawing customers from as far as 30 miles away. We locate our restaurants in high-traffic locations to attract primarily local patrons with limited reliance on business travelers.

Upbeat Atmosphere Coupled with Appealing, Irreverent Brand Helps Differentiate Concept. As stated in our motto "If you've seen one Chuy's, you've seen one Chuy's!" each of our restaurants is uniquely designed. However, most share a few common elements—hand-carved, hand-painted wooden fish, hubcaps hanging from the ceiling, colorful hand-

made floor and wall tile, palm trees crafted from scrap metal and a variety of colorful Mexican folk art. Much of this décor, including all of the wooden fish and painted tiles, is sourced from vendors in Mexican villages that have partnered with us for decades. Additionally, virtually all restaurants feature a complimentary self-serve “Nacho Car,” a hollowed-out, customized classic car trunk filled with fresh chips, salsa, chile con queso and more.

Combined with the personalized service from our friendly and energetic employees, these signature elements create an upbeat feeling with a funky, eclectic and somewhat irreverent atmosphere. Our restaurants feature a fun mix of rock and roll rather than traditional Mexican-style music, helping to provide an energetic guest experience. We also believe that each restaurant reflects the character and history of its individual community. Many of our restaurants have added unique, local elements such as a special wall of photos featuring customers with their friends, families and dogs. This has allowed our customers to develop a strong sense of pride and ownership in their local Chuy’s.

Deep Rooted and Inspiring Company Culture. We believe the inimitable Chuy’s culture is one of our most valuable assets, and we are committed to preserving and continually investing in our culture and restaurant experience. Since our founding in 1982, we have developed close personal relationships with our guests, employees and vendor-partners. We emphasize a fun, passionate and authentic culture and support active social responsibility and involvement in local communities. We regularly sponsor a variety of community events including our annual *Chuy’s Children Giving to Children Parade*, *Chuy’s Hot to Trot 5K* and other local charitable events. We believe the uniqueness of the Chuy’s experience has created a “cult-like following” which includes our dedicated employees and devoted customers. We believe our employees and guests share an energy and passion for our concept that differentiates us in the restaurant industry. This is evidenced by our low annual turnover rate, which as of June 26, 2011, was 9.2% for managers and 47.2% for hourly employees and our goal of promoting 40% of restaurant-level managers from within, as well as our solid base of repeat guests.

In order to retain our unique culture as we grow, we invest significant time and capital into our training programs. We devote substantial resources to identifying, selecting and training our restaurant-level employees. We typically have ten in-store trainers at each existing location who provide both front- and back-of-the-house training on site as well as two training coordinators that lead new restaurant training. We also have an approximately 20-week training program for all of our restaurant managers, which includes eight weeks of “cultural” training, in which managers observe our established restaurants’ operations and customer interactions. We believe our focus on cultural training is a core aspect of our company and reinforces our commitment to the Chuy’s brand identity. In conjunction with our training activities, we hold “Culture Clubs” four times or more per year, as a means to fully impart the Chuy’s story through personal appearances by our founders Mike Young and John Zapp.

Proven, Flexible Business Model with Industry Leading Unit Economics. We have a long standing track record of consistently producing high average unit volumes relative to competing Mexican concepts, as well as established casual dining restaurants. For the twelve months ended March 27, 2011, our comparable restaurants generated average unit volumes of $5.0 million, with our highest volume restaurant generating $7.2 million. We maintain strong Restaurant-Level EBITDA margins at our comparable restaurants, which for the twelve months ended March 27, 2011 represented 21.8% of revenues. We have successfully opened and operated restaurants in Texas, the Southeast and the Midwest and achieved attractive rates of return on our invested capital, providing a strong foundation for expansion in both new and existing markets. Under our investment model, our new restaurant openings have historically required a net cash investment of approximately $1.7 million. We target a cash-on-cash return beginning in the third operating year of 40.0%, and a sales to investment ratio of 2:1. On average, returns on units opened since 2008 have exceeded these target returns in the second year of operations.

Seasoned Management Team with Significant Operational Experience and Proven Track Record. We are led by a strong management team with extensive experience in all aspects of restaurant operations. Our senior management team has an average tenure of approximately 15 years and our 27 general managers have an average tenure of more than eight years. In 2007, we hired our CEO and President, Steve Hislop. Mr. Hislop is the former President of O’Charley’s Restaurants, where he spent 19 years performing a variety of functions, including serving as Concept President and a member of the board of directors, and helped grow the business from 12 restaurants to a multi-concept company with 347 restaurants during his tenure. Since Mr. Hislop’s arrival in 2007, we have accelerated our growth plan and successfully opened 19 new restaurants, as of June 26, 2011, and entered six new markets.

Our Business Strategies

Pursue New Restaurant Development. We will continue to pursue a disciplined growth strategy in both established and adjacent markets across Texas, the Southeast and the Midwest where we believe we can achieve high unit volumes and attractive unit level returns. We believe the broad appeal of the Chuy's concept, strong unit economics and flexible real estate strategy enhance the portability of our concept and provide us significant opportunity for expansion. Our new restaurant development will consist primarily of conversions of existing structures, with select new unit builds in highly attractive and prime locations.

We have built a scalable infrastructure and have successfully grown our restaurant base through a challenging economic environment. In 2009, we opened five new restaurants, including our first restaurant outside of Texas in Nashville, Tennessee, as well as our first small market restaurant in Waco, Texas. In 2010, we opened six new restaurants including three locations outside of Texas: Murfreesboro, Tennessee; Birmingham, Alabama; and Louisville, Kentucky. Each of these restaurants opened at high unit volumes with attractive returns and provides us a platform to continue our growth. In 2011, we opened four new restaurants in the first half of the year, including our first restaurant in Indiana, and we plan to open four new restaurants by the end of the year. Further, we expect to open an additional 35 to 40 new restaurants over the next five years.

Leverage Scalable Infrastructure and Increase Our Margins . In preparation for our new restaurant development plan, we have made significant investments in infrastructure over the past several years. We believe we now have the corporate and supervisory personnel in place to support our growth plan for the foreseeable future. We believe that as the restaurant base grows, our general and administrative costs will increase at a slower growth rate than our revenue. Additionally, we foresee relatively minimal increases in marketing spend as we enter new markets, as the majority of our marketing is done through non-traditional channels such as community events, charity sponsorships, social media and word-of-mouth from our devoted followers, as well as partnerships with local public relations firms.

Deliver Consistent Comparable Restaurant Sales Through Providing High-Quality Food and Service . We believe we will be able to generate comparable restaurant sales growth by consistently providing an attractive price/value proposition for our guests with excellent service in an upbeat atmosphere. We remain focused on delivering freshly prepared, authentic, high-quality Mexican cuisine at a significant value to our guests. Though the core menu will remain unchanged, we will continue to explore potential additions as well as limited time food and drink offerings. Additionally, we will continue to promote our brand while protecting the unique culture that defines the Chuy's experience. Grassroots marketing efforts, such as local "Redfish Rallies, "Elvis sightings" and charity events, as well as our line of eclectic t-shirts, will assist us in building the Chuy's brand and driving traffic in our restaurants.

Additionally, we prioritize customer service in our restaurants, and will continue to invest significantly in ongoing training of our employees. In addition to our new manager training program and at least quarterly "Culture Clubs," 20 to 24 of our trainers are dispatched to open new restaurants and ensure a solid foundation of guest service, food preparation and our cultured environment. We believe these initiatives will help enhance guest satisfaction, minimize wait times and help us serve our guests more efficiently during peak periods, which we believe is particularly important at our restaurants that operate at or near capacity.

Real Estate

As of June 26, 2011, we leased 31 locations, of which 26 are free-standing restaurants and five are end-cap or in-line restaurants in Class A locations. Of these locations, four are scheduled to open by the end of 2011. Our restaurants range in size from approximately 5,300 to 12,500 square feet, averaging approximately 8,000 square feet with seating capacity for approximately 300 guests. Since the beginning of 2008, we have opened 19 new restaurants. Since our inception in 1982, we have moved two locations and closed three locations and we have not moved or closed a location since 2004. We consider our ability to locate and secure attractive real estate locations for new restaurants a key differentiator and long-term success factor. All of our leases provide for base (fixed) rent, plus the majority provide for additional rent based on gross sales (as defined in each lease agreement) in excess of a stipulated amount, multiplied by a stated percentage. A significant percentage of our leases also provide for periodic escalation of minimum annual rent either based upon increases in the Consumer Price Index or a pre-determined schedule. The initial lease terms range from ten to 20 years, with renewal options for five to 20 additional years. Typically, our leases are ten or 15 years in length with two, five-year extension options. The initial terms of our leases currently expire between 2011 and 2031. We are also generally obligated to pay certain real estate taxes,

insurances, common area maintenance charges and various other expenses related to the properties. Our corporate headquarters is also leased and is located at 1623 Toomey Road, Austin, Texas 78704. For additional information about certain facilities, including our corporate headquarters and six of our restaurant locations, we rent from related parties, see "Certain Relationships and Related Party Transactions." For additional information regarding our leases, see "— Properties."

Site Selection Process

We have developed a disciplined site acquisition and qualification process incorporating management's experience as well as extensive data collection, analysis and interpretation. We are actively developing restaurants in both new and existing markets, and we will continue to expand in selected regions throughout the U.S. We have an agreement with a master broker, Foremark, which identifies and works with a local broker to conduct preliminary research regarding a location. The preliminary research includes an analysis of traffic patterns, parking, access, demographic characteristics, population density, level of affluence, consumer attitudes or preferences and current or expected co-retail and restaurant tenants. Foremark then presents potential sites to our Vice President of Real Estate and Development. If our financial criteria for the site are satisfied, our Vice Presidents of Operations and Chief Executive Officer visit the site and, subject to board approval, our management negotiates the lease. The key criteria we have for a site is that the population within a three mile radius of the restaurant has a high concentration of our target demographic, which is persons ages 21 to 44 and persons with income ranges between $60,000 and $85,000 per year that dine out frequently. We also prefer locations with high visibility, especially in a new market, and ample parking spaces.

We seek to identify sites that contribute to our "If you've seen one Chuy's, you've seen one Chuy's" vision, meaning no two restaurants are alike. As we do not have standardized restaurant requirements with respect to size, location or layout, we are able to be flexible in our real estate selection process. In line with this strategy, we prefer to identify a combination of conversion sites as well as ground-up prototypes.

Design

After identifying a lease site, we commence our restaurant buildout. We strive to create a unique and memorable customer experience at each of our locations. While the layout in each of our restaurants varies, we maintain certain distinguishable elements across virtually all locations – hand-carved, hand-painted wooden fish imported from Mexico, a variety of vibrant Mexican folk art, a "Nacho Car" that provides complimentary chips, salsa and chile con queso in the trunk of a classic car, vintage hubcaps hanging from the ceiling, colorful hand-made floor and wall tile and festive metal palm trees. Nearly all of our restaurants feature outdoor patios. Additionally, our flexible seating arrangements allow us to cater to families and parties of all sizes including larger groups, which we believe is a key differentiator from other casual dining operators.

Our new restaurants are either ground-up prototypes or conversions. We estimate that each ground-up buildout restaurant will require a total cash investment of $1.7 million to $2.5 million (net of estimated tenant incentives of between zero and $0.8 million). We estimate that each conversion will require a total cash investment of $2.0 million to $2.2 million. The flexibility of our concepts has enabled us to open restaurants in a wide variety of locations, including high-density residential areas and near shopping malls, lifestyle centers and other high-traffic locations. On average, it takes us approximately 12 to 18 months from identification of the specific site to opening the doors for business. In order to maintain consistency of food and guest service as well as the unique atmosphere at our restaurants, we have set processes and timelines to follow for all restaurant openings.

The development and construction of our new sites is the responsibility of our Vice President of Real Estate and Development. Several project managers are responsible for building the restaurants, and several staff members manage purchasing, budgeting, scheduling and other related administrative functions.

New Restaurant Development

We successfully opened 19 new locations since the beginning of 2008 through June 26, 2011, and our management believes we are well-positioned to continue this growth through our new restaurant pipeline. We maintain a commitment to capitalizing on opportunities and realizing efficiencies in our existing markets while also pursuing

attractive locations in new markets. We seek to identify new markets in which we believe there is capacity for us to open multiple restaurants. We aim to open between 35 and 40 new restaurants over the next five years.

Restaurant Operations

We currently have six supervisors that report directly to one of our two Vice Presidents of Operations, who in turn each report to our Chief Executive Officer. Each supervisor oversees the operations of four or five restaurants in their respective geographic areas. The staffing at our restaurants typically consists of a general manager, a kitchen manager and four to six assistant managers. In addition, each of our restaurants employs approximately 120 hourly employees.

Sourcing and Supply

Our procurement team consists of our Vice President of Real Estate and Development and our Director of Purchasing and his team, which have been sourcing and purchasing our food and other supply products for over 24 years. We rely on two regional distributors, Labatt Foodservice in Texas and Merchants Distributors in the Southeastern United States, and various suppliers to provide our beef, cheese, beans, soybean oil, beverages and our groceries. Our distributors deliver supplies to each restaurant two to three times each week. Our distributor relationships with Labatt Foodservice and Merchants have been in place for approximately ten and two years, respectively, and the distributors cover 22 and five locations, respectively, as of June 26, 2011. Labatt Foodservice serves as our lead distributor, including managing our distribution services from Merchants Distributors and, in certain cases, assisting us in entering into contracts with our suppliers to lock in prices for certain products for up to one year. For our chicken products, we rely on two suppliers for our Southeast locations and Martin Brothers Distributing, as our sole supplier in Texas. For our green chiles, we contract to buy, through our supplier, Bueno Foods of Albuquerque, New Mexico, chiles from a group of farmers in New Mexico each year, which we have the right to select under our agreement. If the farmers are unable or do not supply a sufficient amount of green chiles or if we need chiles out of season, we purchase the excess amount from the general supply of Bueno Foods. Each restaurant, through its general manager and kitchen manager, purchases its produce locally. We are currently evaluating entering into an agreement to purchase our produce through a produce buying group. Changes in the price or availability of certain food products could affect the profitability of certain food items, our ability to maintain existing prices and our ability to purchase sufficient amounts of items to satisfy our guests' demands.

We are currently under contract with our principal non-alcoholic beverage provider through 2014. Our ability to arrange national distribution of alcoholic beverages is restricted by state law; however, where possible, we negotiate directly with spirit companies and/or regional distributors. We also contract with a third-party provider to source, maintain and remove our cooking shortening and oil systems.

Food Safety

Providing a safe and clean dining experience for our guests is essential to our mission statement. We have taken steps to control food quality and safety risks, including designing and implementing a training program for our kitchen staff, employees and managers focusing on food safety and quality assurance. In addition, to minimize the risk of food-borne illness, we have implemented a Hazard Analysis and Critical Control Points ("HACCP") system for managing food safety and quality. Currently, a few of the jurisdictions in which we operate have implemented these new guidelines and we expect that additional jurisdictions will implement these guidelines in the near future. We also consider food safety and quality assurance when selecting our distributors and suppliers. Our suppliers are inspected by federal, state and local regulators or other reputable, qualified inspection services, which helps ensure their compliance with all federal food safety and quality guidelines.

Building Our Brand

Our restaurants have generated broad appeal due to their flavorful food offering, friendly, attentive service and ambience. Our target demographic is persons ages 21 to 44 and persons within the income range of $60,000 to $85,000 per year that dine out frequently. We aim to build our brand image and awareness while retaining local neighborhood relationships by increasing the frequency of visits by our current guests and attracting new guests. Our marketing strategy also focuses on generating significant brand awareness at new restaurant openings.

Local Brand Building

A key aspect of our local restaurant marketing/branding strategy is developing community relationships with residents, local schools, churches, hotels and chambers of commerce. Our restaurant managers are closely involved in developing and implementing the majority of our local restaurant marketing/branding programs.

Since our founding in 1982, Chuy's success has stemmed from close personal relationships with our guests, employees and vendor-partners. We believe the inimitable Chuy's culture, which emphasizes fun and authenticity while fostering social responsibility and involvement in local communities is one of our most valuable assets, and we are committed to preserving and continually investing in it.

We regularly hold a variety of community events. Each spring, we host the Chuy's Annual Hot to Trot 5K and Kid's K at our Arbor Trails location, which benefits the Special Olympics of Texas. During the winter holidays, we sponsor the Chuy's Children Giving to Children Parade, which collects toys for the Blue Santa program. The Blue Santa program gives gifts and holiday meals to needy families in Central Texas. To celebrate one of our signature ingredients, the Hatch green chile, we hold an annual Green Chile Festival during the August and September harvest, with special menu items featuring Hatch chiles and promotional give-aways.

New Restaurant Openings

We have developed a marketing/branding strategy that we use in connection with new restaurant openings to help build local brand recognition and create a "buzz." We start off by establishing a visual presence through such means as installing one of our emblematic red fish on the top of our new location and staging Elvis sightings in the area surrounding our new location. During that time, we also try to become active in the local community by, for example, joining the chamber of commerce and meeting local community leaders. In new markets, we generally host a pre-opening party called a "Red Fish Rally" after our emblematic red fish for our social media fans and local Texas Exes (University of Texas at Austin alumni group), a group that is generally familiar with and displays an affinity for our concept.

We use the pre-opening period for our new restaurants as an opportunity to reach out to various media outlets as well as the local community. We retain local, niche marketing groups to assist us with addressing the local market, establishing relationships with local charities and gaining brand recognition. To promote new openings, we employ a variety of marketing techniques in addition to issuing press releases, launching direct mail campaigns, and e-marketing, such as hosting concierge parties, training lunches and dinners and food tastings with local residents, media, community leaders and businesses.

E-Marketing & Social Media

We have increased our use of e-marketing tools, which enables us to reach a significant number of people in a timely and targeted fashion at a fraction of the cost of traditional media. We believe our guests are generally frequent Internet users and will use social media to share dining experiences. We have set up four Facebook pages, including our corporate page and three local market pages, that we use to engage with customers. We also have a mailing list that allows us to send customers updates about events at their local Chuy's.

Training and Employee Programs

We devote significant resources to identifying, selecting and training restaurant-level employees, with an approximately 20-week training program that includes up to 11 weeks for all of our restaurant managers as well as approximately eight weeks of "cultural" training, in which managers observe our established restaurants' operations and customer interactions. We conduct comprehensive training programs for our management, hourly employees and corporate personnel. Our training program covers leadership, team building, food safety certification, alcohol safety programs, guest service philosophy training, sexual harassment training and other topics. In conjunction with our training activities, we hold "Culture Clubs" four times or more per year, as a means to fully impart the Chuy's story through personal appearances by our Founders.

Our training process in connection with opening new restaurants has been refined over the course of our experience. Trainers oversee and conduct both service and kitchen training and are on site through the first two weeks of opening and remain on site for two to three additional weeks as needed and depending on unit volumes during the initial weeks. We have one front- and one back-of-the-house training coordinator, and these training coordinators remain

on-site to manage the opening for approximately the same period as our other trainers. The lead and other trainers assist in opening new locations and lend support and introduce our standards and culture to the new team. We believe that hiring the best available team members and committing to their training helps keep retention high during the restaurant opening process.

Management Information Systems

At all of our restaurants, we use Hospitality Solutions International for our point-of-sale system, which manages our credit card transactions. This software communicates directly with our corporate headquarters and provides headquarters with near real-time information about restaurant level performance and sales. We are currently rolling out a new enterprise resource planning software program, Restaurant Magic, to all of our locations. This program will manage our scheduling, general ledger, accounts payable, payroll, inventory, purchasing and human resources information, and will communicate that information to our headquarters to provide visibility on restaurant level operations. Once Restaurant Magic is fully implemented, we will no longer use our back-office software that we license from Banana Peel, LLC. For additional information regarding our license agreement with Banana Peel, see “Certain Relationships and Related Party Transactions.”

Government Regulation

We are subject to numerous federal, state and local laws affecting our business. Each of our restaurants is subject to licensing and regulation by a number of government authorities, which may include alcoholic beverage control, nutritional information disclosure, health, sanitation, environmental, zoning and public safety agencies in the state or municipality in which the restaurant is located.

For the twelve months ended March 27, 2011, approximately 19.8% of our total restaurant sales were attributable to alcoholic beverages. Alcoholic beverage control regulations require each of our restaurants to apply to a state authority and, in certain locations, county and municipal authorities, for licenses and permits to sell alcoholic beverages on the premises. Typically, licenses must be renewed annually and may be subject to penalties, temporary suspension or revocation for cause at any time. Alcoholic beverage control regulations impact many aspects of the daily operations of our restaurants, including the minimum ages of patrons and staff members consuming or serving these beverages, respectively; staff member alcoholic beverage training and certification requirements; hours of operation; advertising; wholesale purchasing and inventory control of these beverages; the seating of minors and the servicing of food within our bar areas; special menus and events, such as happy hours; and the storage and dispensing of alcoholic beverages. State and local authorities in many jurisdictions routinely monitor compliance with alcoholic beverage laws. We are subject to dram shop statutes in most of the states in which we operate, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person.

Various federal and state labor laws govern our operations and our relationships with our staff members, including such matters as minimum wages, breaks, overtime, fringe benefits, safety, working conditions and citizenship or work authorization requirements. We are also subject to the regulations of the U.S. Citizenship and Immigration Services and U.S. Customs and Immigration Enforcement. In addition, some states in which we operate have adopted immigration employment laws which impose additional conditions on employers. Even if we operate our restaurants in strict compliance with the laws, rules and regulations of these federal and state agencies, some of our staff members may not meet federal citizenship or residency requirements or lack appropriate work authorizations, which could lead to a disruption in our work force. Significant government-imposed increases in minimum wages, paid or unpaid leaves of absence, sick leave, and mandated health benefits, or increased tax reporting, assessment or payment requirements related to our staff members who receive gratuities, could be detrimental to the profitability of our restaurants operations. Further, we are continuing to assess the impact of recently-adopted federal health care legislation on our health care benefit costs. The imposition of any requirement that we provide health insurance benefits to staff members that are more extensive than the health insurance benefits we currently provide, or the imposition of additional employer paid employment taxes on income earned by our employees, could have an adverse effect on our results of operations and financial position. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards, which could result in higher costs for goods and services supplied to us. In addition, while we carry employment practices insurance covering a variety of labor-related liability claims, a

settlement or judgment against us that is uninsured or in excess of our coverage limitations could have a material adverse effect on our results of operations, liquidity, financial position or business.

The recent Patient Protection and Affordability Act of 2010 (the "PPACA") federal legislation enacted in March 2010 requires chain restaurants with 20 or more locations in the United States to comply with federal nutritional disclosure requirements. The FDA published proposed regulations to implement the menu labeling provisions of the PPACA in April 2011, and has indicated that it intends to issue final regulations by the end of 2011 and begin enforcing the regulations by mid-2012. A number of states, counties and cities have also enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information available to guests, or have enacted legislation restricting the use of certain types of ingredients in restaurants. Although the federal legislation is intended to preempt conflicting state or local laws on nutrition labeling, until we are required to comply with the federal law we will be subject to a patchwork of state and local laws and regulations regarding nutritional content disclosure requirements. Many of these requirements are inconsistent or are interpreted differently from one jurisdiction to another. While our ability to adapt to consumer preferences is a strength of our concept, the effect of such labeling requirements on consumer choices, if any, is unclear at this time.

There is also a potential for increased regulation of food in the United States, such as the recent changes in the HACCP system requirements. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Many states have adopted legislation or implemented regulations which require restaurants to develop and implement HACCP Systems. Similarly, the United States Congress and the FDA continue to expand the sectors of the food industry that must adopt and implement HACCP programs. For example, the Food Safety Modernization Act (the "FSMA") was signed into law in January 2011 and significantly expanded FDA's authority over food safety. Among other requirements, the FSMA granted the FDA with new authority to proactively ensure the safety of the entire food system, including through new and additional hazard analysis, food safety planning, increased inspections, and permitting mandatory food recalls. Although restaurants are specifically exempted from some of the new requirements outlined in the FSMA and not directly implicated by other requirements, we anticipate that some of the FSMA provisions and FDA's implementation of the new requirements may impact our industry. We cannot assure you that we will not have to expend additional time and resources to comply with new food safety requirements either required by the FSMA or future federal food safety regulation or legislation. Additionally, our suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require us to take actions that could be costly for us or otherwise harm our business.

We are subject to a variety of federal and state environmental regulations concerning the handling, storage and disposal of hazardous materials, such as cleaning solvents, and the operation of restaurants in environmentally sensitive locations may impact aspects of our operations. During fiscal 2010, there were no material capital expenditures for environmental control facilities, and no such expenditures are anticipated.

Our facilities must comply with the applicable requirements of the Americans with Disabilities Act of 1990 ("ADA") and related federal and state statutes. The ADA prohibits discrimination on the basis of disability with respect to public accommodations and employment. Under the ADA and related federal and state laws, we must make access to our new or significantly remodeled restaurants readily accessible to disabled persons. We must also make reasonable accommodations for the employment of disabled persons.

We have a significant number of hourly restaurant staff members who receive income from gratuities. We rely on our staff members to accurately disclose the full amount of their tip income and we base our FICA tax reporting on the disclosures provided to us by such tipped employees.

Intellectual Property

We believe that having distinctive marks that are registered and readily identifiable is an important factor in identifying our brand and differentiating our brand from our competitors. We currently own registrations from the United States Patent and Trademark Office ("USPTO") for the following trademarks: Chuy's; Chuy's Mil Pescados Bar (stylized lettering); Chuy's Green Chile Festival; Fish with sunglasses (our emblematic fish design); and Chuy's Children Giving to Children Parade, which we have the right to use under our Parade Sponsorship agreement with

Young/Zapp. For more information on this agreement see "—Certain Relationships and Related Party Transactions." We have also registered our chuys.com domain name. However, as a result of our settlement agreement with an unaffiliated entity, Baja Chuy's, we may not use "Chuy's" in Nevada, California or Arizona. An important part of our intellectual property strategy is the monitoring and enforcement of our rights in markets in which our restaurants currently exist or markets which we intend to enter in the future. We also monitor trademark registers to oppose the applications to register confusingly similar trademarks or to limit the expansion of the scope of goods and services covered by existing similar trademarks. We enforce our rights through a number of methods, including the issuance of cease-and-desist letters or making infringement claims in federal court.

Restaurant Industry Overview

According to the National Restaurant Association (the "NRA"), U.S. restaurant industry sales in 2010 were $583.2 billion and are projected to grow 3.6% to $604.2 billion in 2011, representing approximately 4.0% of the U.S. gross domestic product. These sales are generated by an estimated 960,000 locations and 12.8 million restaurant industry employees. According to the NRA, the U.S. restaurant industry has grown at a compound annual growth rate of 6.7% since 1970.

We believe we are well positioned to benefit from several fundamental trends in the restaurant industry and U.S. population. The NRA projects that 49% of total U.S. food expenditures will be spent at restaurants in 2011, up from 25% in 1955. Analysts believe that the increase in purchases of "food away from home" is attributable to demographic, economic and lifestyle trends, including the rise in the number of women in the workplace, an increase in average household income, an aging U.S. population and an increased willingness by consumers to pay for the convenience of meals prepared outside of their homes. Real disposable personal income, a key driver of restaurant industry sales, is projected to increase 3.4% in 2011, following an increase of 1.1% in 2010.

According to the U.S. Census Bureau, the Hispanic population is projected to be the fastest growing demographic in the U.S., nearly tripling in size from 48.4 million people in 2009 to 132.8 million people by 2050. During this time, the Hispanic population's share of the nation's total population is projected to nearly double, from approximately 16% to 30%. We expect to benefit from these long-term demographic trends as we believe the Hispanic influence on dining trends will continue to grow in tandem with the population growth.

The restaurant industry is divided into two primary segments including limited-service and full-service restaurants and is generally categorized by price, quality of food, service and location. Chuy's competes in the full-service restaurant segment, which according to Technomic, Inc., a national consulting market research firm, had approximately $166.4 billion of sales in 2010, and is expected to grow 3.0% in 2011 to sales of $171.4 billion. The Mexican food component of the full-service restaurant segment is a highly fragmented sector, with the top five restaurants based on sales, representing approximately 17% of the category in 2010.

Competition

The restaurant business is intensely competitive with respect to food quality, price/value relationships, ambience, service and location, and is affected by many factors, including changes in consumer tastes and discretionary spending patterns, macroeconomic conditions, demographic trends, weather conditions, the cost and availability of raw materials, labor and energy and government regulations. Our main competitors are full service concepts in the multi-location, casual dining segment in which we compete most directly for real estate locations and guests, including Texas Roadhouse, Cheddar's Casual Cafe and BJ's Restaurants. We also compete with other providers of Tex Mex and Mexican fare and adjacent segments, including casual and fast casual segments. We believe we compete favorably for consumers on our food quality, price/value and unique ambience and experience of our restaurants.

Seasonality

Our business is subject to seasonal fluctuations with restaurant sales typically higher during the spring and summer months as well as in December. Adverse weather conditions during our most favorable months or periods may affect guest traffic. In addition, at all but one of our restaurants we have outdoor seating, and the effects of adverse weather may impact the use of these areas and may negatively impact our revenues.

Employees

As of June 26, 2011, we had approximately 3,608 employees, including 28 corporate management and staff personnel, 233 restaurant level managers and 3,347 hourly employees. None of our employees are unionized or covered by a collective bargaining agreement. We believe that we have good relations with our employees.

Properties

The following table sets forth our restaurant locations as of June 26, 2011.

LOCATION	NUMBER OF RESTAURANTS
Alabama	1
Indiana	1
Kentucky	1
Tennessee	2
Texas	22
Total	27

In addition to the restaurant locations set forth above, as of June 26, 2011, we also had four restaurants currently in development in Denton, Texas; Nashville, Tennessee; Lexington, Kentucky; and Atlanta, Georgia that we expect to open in 2011. We have executed leases for all four of these locations.

We lease all of the land, parking lots and buildings used in our restaurant operations under various long-term operating lease agreements. For additional information regarding our obligations under our leases, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations.”

All of our leases provide for base (fixed) rent, plus the majority provide for additional rent based on gross sales (as defined in each lease agreement) in excess of a stipulated amount, multiplied by a stated percentage. A significant percentage of our leases also provide for periodic escalation of minimum annual rent either based upon increases in the Consumer Price Index or a pre-determined schedule. The initial lease terms range from ten to 20 years, with renewal options for five to 20 additional years. Typically, our leases are ten or 15 years in length with two, five-year extension options. The initial terms of our leases currently expire between 2011 and 2031. We are also generally obligated to pay certain real estate taxes, insurances, common area maintenance charges and various other expenses related to the properties. Our corporate headquarters is also leased and is located at 1623 Toomey Road, Austin, Texas 78704. For additional information about certain facilities, including our corporate headquarters and six of our restaurant locations, we rent from related parties, see “Certain Relationships and Related Party Transactions.”

LEGAL PROCEEDINGS

Occasionally we are a party to various legal actions arising in the ordinary course of our business including claims resulting from “slip and fall” accidents, employment related claims and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. None of these types of litigation, most of which are covered by insurance, has had a material effect on us, and as of the date of this prospectus, we are not a party to any material pending legal proceedings and are not aware of any claims that could have a materially adverse effect on our financial position, results of operations or cash flows.

MANAGEMENT

The following table sets forth certain information about our directors and executive officers as of the date of this prospectus:

NAMES	AGE	POSITIONS
Steve Hislop	51	Director, President and Chief Executive Officer
Sharon Russell	55	Chief Financial Officer
Frank Biller	54	Vice President of Operations, Southeast Region
Michael Hatcher	50	Vice President of Real Estate and Development
Ted Zapp	59	Vice President of Operations
Jose Ferreira, Jr.	55	Chairman of the Board, Director (1), (2), (3)
David Oddi	41	Director
Michael Stanley	28	Director (2)
Mike Young	62	Director (1), (3)
John Zapp	58	Director (1), (3)
Ira Zecher	58	Director (2)

(1) Member of compensation committee.
(2) Member of audit committee.
(3) Member of nominating and corporate governance committee.

Executive Officers Biographies

Steve Hislop has served as President, Chief Executive Officer and a member of our board of directors since July 2007. From July 2006 through June 2007, Steve was President and Chief Executive Officer of Sam Seltzer Steak House. Prior to that, Steve served as the Concept President and a member of the board of directors of O'Charley's Restaurants for 18 years where he helped grow the business from 12 restaurants to a multi-concept company with 347 restaurants.

Sharon Russell has served as our Chief Financial Officer since November 2006. Prior to becoming our Chief Financial Officer, she supervised our accounting department since 1987.

Frank Biller has served as our Vice President of Operations for the Southeast Region since July 2008. Prior to joining us, Frank spent 18 years as the Vice President of Operations for O'Charley's Restaurants with overall responsibility for 240 restaurants in 19 states.

Michael Hatcher has served as our Vice President of Real Estate and Development since November 2009. Michael joined Chuy's as a restaurant manager in 1987 and was promoted to General Manager from 1989 to 2002. He was Director of Purchasing and Real Estate from 2002 to 2009.

Ted Zapp has served as our Vice President of Operations since November 2006. Ted has worked with us for almost 30 years. He worked in restaurant operations as a General Manager from 1992 to 1996 and was promoted to Operations Supervisor from 1996 to 2003. He was promoted to Director of Operations from 2003 to 2006 before assuming his current position. Ted Zapp is the brother of John Zapp, a member of our board.

Director Biographies

Jose ("Joe") Ferreira, Jr. has served as Chairman of our board and as Treasurer of the Company since November 2006. Joe is a co-founder, partner and managing member of Goode Partners LLC (our "Sponsor"). Joe is also a member of Goode Partners I, LLC, which is the general partner of Goode Chuy's Holdings, LLC. Prior to the founding of Goode Partners, Joe founded and was President and Chief Executive Officer of Woodclyffe Group, an international business consulting and interim management firm. Prior to founding the Woodclyffe Group in 2001, Joe was

Co-Chief Operating Officer, President of International and a member of the board of directors of Avon Products Inc., where he worked for over 20 years. Joe has served on the board of directors of various companies, public and private, and currently sits on the board of directors of Rosa Mexicano, Bowlmor Lanes and Princess House. Joe holds a B.S. from Central Connecticut State University and an M.B.A. from Fordham University. We have concluded that Joe should serve on our board based upon his experience as an executive, investor and board member of other companies.

David Oddi has served as a member of our board and as President and Secretary of the Company since November 2006. David is a co-founder, partner and managing member of our Sponsor. David is also a member of Goode Partners I, LLC, which is the general partner of Holdings. Additionally, David is a Vice President of Chuy's Opco, Inc. and the Manager of Chuy's Services LLC (our wholly owned subsidiary). Prior to the founding of Goode Partners, David was a partner of Saunders Karp & Megrue, a private equity firm. David previously served as an analyst in the leveraged finance group of Salomon Brothers. David has served on the board of directors of various companies, public and private, and currently sits on the board of All Saints, Bowlmor Lanes, Intermix and Luxury Optical Holdings. David holds a B.S. from the Wharton School at the University of Pennsylvania. We have concluded that David should serve on our board based upon his experience as an investor and board member of other companies.

Michael Stanley has served as a member of our board since May 2011. Michael was promoted from associate to Vice President of our Sponsor in January 2011. Prior to working at Goode Partners, Michael worked as an analyst at Wachovia Securities. Michael currently sits on the board of directors of Rosa Mexicano and is a board observer of Bowlmor Lanes. We have concluded that Michael should serve on our board based upon his experience as an investor and his intimate knowledge of our operations.

Michael Young, one of our founders, has served as a member of our board since November 2006. We have concluded that Michael should serve on our board based upon his experience as an investor and operator of restaurant businesses as well as his intimate knowledge of our operations and culture.

John Zapp, one of our founders, has served as a member of our board since November 2006. We have concluded that John should serve on our board based upon his experience as an investor and operator of restaurant businesses as well as his intimate knowledge of our operations and culture. John Zapp is the brother of Ted Zapp, our Vice President of Operations.

Ira Zecher, has served as a member of our board since June 2011. Ira has been a professor at Rutgers University in the Graduate Accounting program since September 2010. From 1974 through December 2010, Ira was employed by Ernst & Young, a registered public accounting firm, retiring as a partner. Previously, he was a senior transaction advisory services partner and Far East private equity leader for Ernst & Young, where he advised clients on mergers and acquisitions across a broad range of industries. Prior to joining the transaction advisory services group, Ira provided accounting, audit and business-advisory services to both public and private clients for Ernst & Young since 1974. He received his Bachelor's degree from Queens College. He is also a certified public accountant, a member of the American Institute of Certified Public Accountants (AICPA) and the New York State Society of Certified Public Accountants. We have concluded that Ira should serve on our board based upon his extensive professional accounting and financial expertise, which allow him to provide key contributions to the Board on financial, accounting, corporate governance and strategic matters.

Board of Directors

Our board of directors currently consists of seven directors, all of whom except for Ira Zecher were elected as directors pursuant to our stockholders agreement. The provisions of the agreement regarding the right of our preferred stockholders to nominate and elect members of the board will terminate upon the consummation of the offering. See "Certain Relationships and Related Party Transactions—Stockholders Agreement." We are actively searching for additional board members, some of whom we expect to join our board of directors prior to the consummation of this offering.

Upon consummation of this offering, our bylaws will be amended and restated to provide that the authorized number of directors may be changed only by resolution of the board of directors, and our amended and restated certificate of

incorporation will divide our board into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election or until their earlier death, resignation or removal.

Our amended and restated certificate of incorporation as amended upon consummation of the offering will provide that directors may only be removed for cause. To remove a director for cause, 66 2/3% of the voting power of the outstanding voting stock must vote as a single class to remove the director at an annual or special meeting. The certificate will also provide that, if a director is removed or if a vacancy occurs due to either an increase in the size of the board or the death, resignation, disqualification or other cause, the vacancy will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum remain.

This classification of the board of directors, together with the ability of the stockholders to remove our directors only for cause and the inability of stockholders to call special meetings, may have the effect of delaying or preventing a change in control or management. See “Description of Capital Stock—Anti-Takeover Provisions” for a discussion of other anti-takeover provisions found in our amended and restated certificate of incorporation.

Director Independence and Controlled Company

Commencing in fiscal year 2012, our board of directors will review at least annually the independence of each director. During these reviews, the board will consider transactions and relationships between each director (and his or her immediate family and affiliates) and our company and its management to determine whether any such transactions or relationships are inconsistent with a determination that the director is independent. This review will be based primarily on responses of the directors to questions in a directors’ and officers’ questionnaire regarding employment, business, familial, compensation and other relationships with the Company and our management. Prior to the consummation of this offering, our board will meet to formally assess the independence of each of our directors. As required by the , we anticipate that our independent directors will meet in regularly scheduled executive sessions at which only independent directors are present. We intend to comply with future governance requirements to the extent they become applicable to us.

Since we intend to avail ourselves of the “controlled company” exception under , we will not have a majority of independent directors, and neither our compensation committee nor our nominating and corporate governance committee will be composed entirely of independent directors as defined under . After we become subject to Section 162(m) of the Internal Revenue Code (the “Code”), we intend to appoint at least two independent directors to our compensation committee who each qualify as outside directors to the extent necessary to maintain the deductibility of compensation we pay. See “Compensation Discussion and Analysis—Accounting and Tax Considerations (162(m)).” The controlled company exception does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Sarbanes-Oxley Act and .

Corporate Governance

We believe that good corporate governance is important to ensure that, as a public company, we will be managed for the long-term benefit of our stockholders. In preparation for the offering being made by this prospectus, we and our board of directors have been reviewing the corporate governance policies and practices of other public companies, as well as those suggested by various authorities in corporate governance. We have also considered the provisions of the Sarbanes-Oxley Act and the rules of the SEC and .

Based on this review, we intend to establish and adopt charters for the audit committee, compensation committee and nominating and corporate governance committee, as well as a code of business conduct and ethics applicable to all of our directors, officers and employees.

Board Committees

Upon consummation of this offering, our board of directors will have three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Members will serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is a standing committee of our board of directors. Following the consummation of this offering, the functions of our audit committee will include:

- appointing and determining the compensation for our independent auditors;
- establishing procedures for the receipt, retention and treatment of complaints regarding internal accounting controls; and
- reviewing and overseeing our independent registered public accounting firm.

Our audit committee currently consists of Joe Ferreira, Michael Stanley and Ira Zecher, with Ira Zecher serving as chairman. The SEC and rules require us to have one independent audit committee member upon the listing of our common stock on , a majority of independent audit committee members within 90 days from the date of listing and all independent audit committee members within one year from the date of listing. We expect to have one independent audit committee member upon the listing of our common stock on , and we expect to have an entirely independent audit committee within one year from the date of listing. We will also be required to have at least one audit committee financial expert. Our board of directors has determined that Ira Zecher is an audit committee financial expert.

Prior to the consummation of this offering, our board of directors will adopt a written charter under which the audit committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and , will be available on our website.

Compensation Committee

Our compensation committee is a standing committee of our board of directors. Following the consummation of this offering, the compensation committee will:

- review and recommend to our board of directors the salaries and benefits for our executive officers;
- recommend overall employee compensation policies; and
- administer our equity compensation plans.

Our compensation committee currently consists of Joe Ferreira, Michael Young and John Zapp, with Joe Ferreira serving as chairman. We intend to avail ourselves of the “controlled company” exception under the rules which exempts us from the requirement that we have a compensation committee composed entirely of independent directors.

Prior to the consummation of this offering, our board of directors will adopt a written charter under which the compensation committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and the , will be available on our website.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is a standing committee of our board of directors. Following the consummation of this offering, the nominating and corporate governance committee will:

- identify individuals qualified to serve as members of our board of directors;
- recommend to our board nominees for our annual meetings of stockholders;
- evaluate our board’s performance;
- develop and recommend to our board corporate governance guidelines; and
- provide oversight with respect to corporate governance and ethical conduct.

Our nominating and corporate governance committee consists of Joe Ferreira, Mike Young and John Zapp, with John Zapp serving as the committee chairman. We intend to avail ourselves of the “controlled company” exception under the rules which exempts us from the requirement that we have a nominating and corporate governance committee composed entirely of independent directors.

Prior to the consummation of this offering, our board of directors will adopt a written charter under which the nominating and corporate governance committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and , will be available on our website.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Compensation Committee Interlocks and Insider Participation

None of our executive officers have served as a member of the board of directors or compensation committee of any related entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

Prior to the consummation of this offering, we will adopt a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. Following this offering, a current copy of the code will be posted on our website, which is located at *www.chuys.com*. Any amendments to our code of conduct will be disclosed on our Internet website promptly following the date of such amendment or waiver.

Board Leadership Structure and Board's Role in Risk Oversight

Joe Ferreira, a non-employee, serves as Non-Executive Chairman of our board of directors. We support separating the position of Chief Executive Officer and Chairman to allow our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman to lead our board of directors in its fundamental role of providing advice to, and oversight of, management. Our board of directors recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman, particularly as our board of directors' oversight responsibilities continue to grow. Our board of directors also believes that this structure ensures a greater role for the non-management directors in the oversight of our company and establishing priorities and procedures for the work of our board of directors.

While our amended and restated bylaws, which will be in effect upon the completion of this offering, will not require that our Chairman and Chief Executive Officer positions be separate, our board of directors believes that having separate positions and having a non-employee director serve as Chairman is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Risk is inherent with every business and we face a number of risks as outlined in the "Risk Factors" section of this prospectus. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through our audit committee, is responsible for overseeing our management and operations, including overseeing its risk assessment and risk management functions. Our board of directors has delegated responsibility for reviewing our policies with respect to risk assessment and risk management to our audit committee through its charter. Our board of directors has determined that this oversight responsibility can be most efficiently performed by our audit committee as part of its overall responsibility for providing independent, objective oversight with respect to our accounting and financial reporting functions, internal and external audit functions and systems of internal controls over financial reporting and legal, ethical and regulatory compliance. Our audit committee will regularly report to our board of directors with respect to its oversight of these areas.

Limitations of Liability and Indemnification of Directors and Officers

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law ("DGCL") provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer, director, employee or agent of such corporation, or is or was serving at the request of such person as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by

such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses that such officer or director has actually and reasonably incurred. Our certificate of incorporation and our bylaws, each of which as will become effective upon the closing of this offering, provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

Our certificate of incorporation and bylaws include such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by us upon delivery to us of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Section 174 of the DGCL provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved, or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

Indemnification Agreements

We intend to enter into indemnification agreements with each of our current directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth the beneficial ownership information of our shares of common stock upon conversion of all of our preferred stock in connection with this offering as of , 2011 for:

- each person known to us to be the beneficial owner of more than 5% of our shares of common stock;
- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each selling stockholder.

The table also sets forth such persons' beneficial ownership of common stock immediately after this offering.

Unless otherwise noted below, the address of the persons and entities listed on the table is c/o Chuy's Holdings, Inc., 1623 Toomey Rd., Austin, Texas 78704. We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock reflected as beneficially owned, subject to applicable community property laws.

Beneficial ownership and percentage of beneficial ownership is based on shares of our common stock outstanding at , 2011 after giving effect to (i) the conversion of our outstanding series A preferred stock, series B preferred stock and series X preferred stock into common stock on a one-for-one basis prior to the completion of this offering; (ii) a : reverse stock split of our common stock, which will be effected immediately prior to the completion of this offering; and (iii) shares of common stock to be outstanding after the completion of this offering. Shares of common stock subject to options currently exercisable or exercisable within 60 days of , 2011 are deemed to be outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage of beneficial ownership of that person and any group of which that person is a member, but are not deemed outstanding for the purpose of computing the percentage of beneficial ownership for any other person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

NAME OF BENEFICIAL OWNER	COMMON STOCK BENEFICIALLY OWNED (1)					PERCENTAGE OF SHARES BENEFICIALLY OWNED		
	PRIOR TO THE OFFERING	SHARES BEING OFFERED	SHARES SUBJECT TO OVERALLOTMENT OPTION	AFTER THE OFFERING	AFTER THE OFFERING (OVERALLOTMENT OPTION EXERCISED IN FULL)	PRIOR TO THE OFFERING	AFTER THE OFFERING	AFTER THE OFFERING (OVERALLOTMENT OPTION EXERCISED IN FULL)
Greater than 5% holders and other selling stockholders								
Goode Partners LLC (2)								
MY/ZP Equity, LLC (3)								
J.P. Morgan Funds (4)								
William C. Shackelford, Jr. (5)								
Directors and Named Executive Officers								
Jose Ferreira, Jr. (2).								
David J. Oddi (2)								
Michael C. Stanley								
Michael R. Young (3)								
John A. Zapp (3)								
Steve Hislop								
Sharon Russell								
Frank Biller								
Michael Hatcher								
Ted Zapp								
All Directors and Executive Officers as a group (10 persons)								

(1) Based on shares of common stock outstanding upon conversion of all series of preferred stock as of , 2011, including shares sold in the overallotment, and shares subject to options to purchase our common stock exercisable within the 60 days following , 2011.

(2) Represents shares beneficially owned by Goode Partners LLC, our Sponsor. Joe Ferreira, Jr. and David Oddi, two of our directors, are members of Goode Partners I, LLC, or GP I, which is the general partner of Goode Partners Consumer Fund I, L.P., or GPCF I, which is the managing director of our Sponsor. Both Joe and David are also managing directors and members of our Sponsor, which manages GP I and GPCF I, collectively referred to as the "Goode Entities." Joe and David each have voting and depositive power of the shares and may each be deemed to indirectly beneficially own the shares held by our Sponsor because of their affiliation with the Goode Entities. Both Joe and David disclaim beneficial ownership of the shares held by Goode Chuy's Holdings, LLC, our controlling stockholder, except to the extent of their pecuniary interests therein. The address of our Sponsor is c/o Goode Partners, LLC, 767 Third Avenue, 22nd Floor, New York, New York 10017.

(3) Represents shares beneficially owned by MY/ZP Equity, LLC. ("MY/ZP Equity"), an entity owned by Mike Young and John Zapp, our Founders and directors. Mike and John are the managing members of MY/ZP Equity and each have voting and dispositive power of the shares and may each be deemed to indirectly beneficially own the shares. Both Mike and John disclaim beneficial ownership of the shares held by MY/ZP Equity except to the extent of their pecuniary interest.

(4) Represents shares beneficially owned by J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC ("JPM") and 522 Fifth Avenue Fund, L.P. ("522 Fund" together with JPM, the "JPM Funds"), indirect wholly owned subsidiaries of J.P. Morgan Chase & Co. ("JPM Chase"). Subsidiaries of JPM Chase serve as investment advisor to the JPM Funds and as the general partner of 522 Fifth Avenue Fund, L.P. The JPM Funds share investment power with respect to shares and JPM has sole investment power over shares. Goode Chuy's Holdings, LLC, our controlling stockholder, has sole voting power over the JPM Fund shares. JP Morgan is an affiliate of the following registered broker-dealers: JPMorgan Securities LLC, Chase Investment Services Corp., JPMorgan Distribution Services and J.P. Morgan Institutional Investments Inc. The address of J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC is 522 Fifth Avenue, New York, New York 10036.

(5) The address of William C. Shackelford, Jr. is 310 Cloverleaf, San Antonio, Texas 78209.

EXECUTIVE AND DIRECTOR COMPENSATION

Introduction

This Compensation Discussion and Analysis ("CD&A") provides an overview of our executive compensation program, together with a description of the material factors underlying the decisions that resulted in the compensation provided to our chief executive officer, chief financial officer and our three other highest paid executive officers during fiscal year 2010 (collectively, the "named executive officers"), as presented in the tables which follow this CD&A. This CD&A contains statements regarding our performance targets and goals. These targets and goals are disclosed in the limited context of our compensation program and should not be understood to be statements of management's expectations or estimates of financial results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Objective of Compensation Policy

The objective of our compensation policy is to provide a total compensation package to each named executive officer that will enable us to:

- attract, motivate and retain outstanding individuals;
- reward named executive officers for performance; and
- align the financial interests of each named executive officer with the interests of our stockholders to encourage each named executive officer to contribute to our long-term performance and success.

Overall, our compensation program is designed to reward both individual and company performance. A significant portion of each of our named executive officers' annual compensation is comprised of discretionary and performance-based bonuses. While we have not used significant amounts of equity-based compensation in the past, we intend to increase our use of long-term incentives to reward long-term company and individual performance and to promote retention through delayed vesting of awards.

Administration

Since our acquisition by Goode Partners LLC (our "Sponsor") in 2006, our board of directors has administered and determined overall compensation for our named executive officers. Under our stockholders agreement, our Sponsor has appointed a majority of the board of directors since 2006. While these rights will terminate upon consummation of this offering, following this offering, our Sponsor will still hold a majority of the voting power over our common stock and, as a result, will continue to control the composition of the board of directors. As a result, we will be considered a "controlled company" and, as a controlled company, we will not be required to have an independent compensation committee determine our named executive officers' compensation. However, after we become subject to Section 162(m) of the Internal Revenue Code (the "Code"), we intend to appoint at least two independent directors to our compensation committee who each qualify as outside directors to the extent necessary to maintain the deductibility of compensation we pay. For more information regarding the implications of Section 162(m), see "—Tax and Accounting Considerations."

Following the consummation of this offering, our compensation committee will oversee our executive compensation program and will be responsible for approving the nature and amount of the compensation paid to, and any employment and related agreements entered into with our named executive officers. The committee will also administer our equity compensation plans and awards.

Process for Setting Total Compensation

In the past, at the first meeting of each new fiscal year, our board of directors has set annual base salaries, determined the amount of discretionary and performance-based bonuses for the prior year and set performance criteria for our performance-based bonuses for the following year. In making these compensation decisions, our board of directors has considered the recommendations of our chief executive officer, particularly with respect to the performance of our named executive officers.

When hiring named executive officers, our board of directors has set their compensation based on the individuals position and responsibilities and their compensation package at their previous company. At the time of hire, we have granted equity awards to new executives at a level that the board of directors believes is appropriate to motivate that named executive officer to accomplish the individual goals for their position as well as our company objectives. For new named executive officers, bonuses are pro rated based on the portion of the year during which the executive was employed by us.

During its annual review process, our board of directors has set compensation for each named executive officer at a level we believe is appropriate considering each named executive officer's annual review, level of responsibility, the awards and compensation paid to the named executive officer in past year and progress toward or attainment of previously set personal and corporate goals and objectives, including attainment of financial performance goals and such other factors as the board has deemed appropriate and in our best interests and the best interests of our stockholders. The board has given different weight at different times to different factors for each named executive officer. Our performance criteria are discussed more fully below under the heading "—Bonus Compensation—Performance-Based Bonus." Other than with respect to our performance-based bonuses, the board has not relied on predetermined formulas or a limited set of criteria when it evaluates the performance of our named executive officers.

Following this offering, our compensation committee plans to undertake the same process as our board of directors has in the past. Our chief executive officer will continue to provide recommendations to our compensation committee with respect to salary adjustments, discretionary and performance-based bonus targets and awards and equity incentive awards for the named executive officers that report to him. Our compensation committee will meet with our chief executive officer at least annually to discuss and review his recommendations for compensation of our executive officers, excluding himself. When making individual compensation decisions for our named executive officers, the compensation committee will take many factors into account, including the officer's experience, responsibilities, management abilities and job performance, our performance as a whole, current market conditions and competitive pay levels for similar positions at comparable companies. These factors will be considered by the compensation committee in a subjective manner without any specific formula or weighting.

Elements of Compensation

Our compensation program for named executive officers consists of the following elements of compensation, each described in greater depth below:

- Base salaries.
- Discretionary and performance-based bonuses.
- Equity-based incentive compensation.
- Severance and change-in-control benefits.
- Perquisites.
- General benefits.
- Employment agreements.

We may, from time to time, enter into written agreements to reflect the terms and conditions of employment of a particular named executive officer, whether at the time of hire or thereafter. We consider entering into these agreements when it serves as a meaningful recruitment and retention mechanism. We entered into an employment agreement with Steve Hislop in connection with his appointment and retention as our chief executive officer in 2007. We do not currently have an employment agreement with any other named executive officer. See "—Employment Agreement with Our Chief Executive Officer" for additional information regarding Mr. Hislop's employment agreement with us.

Base Salary

NAME	2010 SALARY($)
Steve Hislop	333,280
Sharon Russell	151,904
Frank Biller	156,434
Michael Hatcher	135,641
Ted Zapp	151,904

We pay base salaries to attract, recruit and retain qualified employees. Following the consummation of this offering, our compensation committee will review and set base salaries of our named executive officers annually. These salary levels are and will continue to be set based on the named executive officer's experience and performance with previous employers and negotiations with individual named executive officers. The compensation committee may increase base salaries each year based on its subjective assessment of our company's and the individual executive officer's performance and each named executive officer's experience, length of service and changes in responsibilities. The weight given such factors by the compensation committee may vary from one named executive officer to another.

In the first quarter of 2010, each of our named executive officers received a pay increase of approximately 4%. The board determined that these raises were appropriate in light of company and individual performance, increases in individual responsibilities and the role of salary in our named executive officers' compensation package.

Bonus Compensation

		PERFORMANCE-BASED BONUS			
NAME	DISCRETIONARY AWARD ($)	THRESHOLD AWARD ($)	TARGET AWARD ($)	MAXIMUM AWARD ($)	ACTUAL AWARD ($)
Steve Hislop	3,912	—	166,640	333,280	201,750
Sharon Russell	1,796	—	45,571	91,142	55,173
Frank Biller	1,699	—	40,000	80,000	48,428
Michael Hatcher	1,711	—	40,692	81,384	49,266
Ted Zapp	1,796	—	45,571	91,142	55,173

Performance-Based Bonus

In line with our strategy of rewarding performance, our executive compensation program includes performance-based bonuses to named executive officers. Our board of directors has and our compensation committee intends to continue to establish annual target performance-based bonuses for each named executive officer during the first quarter of the year.

The target and maximum performance-based bonuses have been set at levels our board of directors believes will provide a meaningful incentive to achieve company and individual goals and contribute to our financial performance. In 2010, the target and maximum performance-based bonus that each named executive officer could receive were set at 50% and 100%, respectively, of our Chief Executive Officer's annual base salary and 30% and 60%, respectively, of our other named executive officers' annual base salaries. No bonus is paid if actual Company Adjusted EBITDA is 95% or less of budget Company Adjusted EBITDA. To the extent that actual Company Adjusted EBITDA exceeds 95% of budget Company Adjusted EBITDA, the plan provides that we will pay a bonus based on where performance falls on a linear basis between 95% and 100% of budget Company Adjusted EBITDA and between 100% and 110% of budget Company Adjusted EBITDA. In each circumstance, the board retained its discretion to adjust the amount paid under the plan based on individual and company circumstances. In the case of Mr. Biller, the board exercised its discretion to reduce Mr. Biller's bonus as, during 2010, he was only responsible

for a portion of the restaurants for which he will ultimately be responsible. Our performance-based bonuses are determined based 80% on Company Adjusted EBITDA (as discussed below) and 20% on performance with respect to company and personal goals.

If our budget Company Adjusted EBITDA is achieved, each individual will earn 80% of their target bonus. The remaining 20% of target bonus is determined based on the extent to which each named executive officer achieves two to four company and individual goals for the year.

The Company Adjusted EBITDA portion of this bonus is determined based primarily on the extent to which we achieve our budget Company Adjusted EBITDA goal. Company Adjusted EBITDA is our earnings before interest, taxes, depreciation and amortization plus any loss on sales of asset (less any gain on a sale of assets); banking amendment and legal fees; stock-based compensation; restaurant pre-opening costs; management fees; reimbursable board of directors fees; interest income; and certain non-cash adjustments. For each 1.0% that actual Company Adjusted EBITDA is above or below budget Company Adjusted EBITDA, the percentage of the target they receive will increase by 10% or decrease by 20%, respectively, of the Company Adjusted EBITDA portion of their target bonus. For example, if actual Company Adjusted EBITDA is 1% above budget Company Adjusted EBITDA, the named executive officers will receive their 1.1 times 80% of their target bonus. The maximum a named executive officer may receive for Company Adjusted EBITDA performance is 2.0 times 80% of their target bonus. For 2010, after taking into account the payment of the performance-based bonuses, our actual Company Adjusted EBITDA exceeded our budgeted Company Adjusted EBITDA by $282,894, or 2.1%. We use our Company Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue, net income and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. We also use our Company Adjusted EBITDA internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of our Company Adjusted EBITDA as a performance measure permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. For the portion the performance-based bonus that based on the extent of the achievement of company and individual goals, our board has determined the percentage of the goals that were achieved and multiplies that percentage by the amount of the bonus based on those metrics. In 2010, all of our named executive officers achieved 100% of their company and individual goals. That bonus amount is then multiplied by the multiplier applied to the Company Adjusted EBITDA portion of the bonus.

Target, maximum and actual performance-based bonuses for 2010 for each of the named executive officers are shown in the table above and in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table. Following this offering, we plan to adopt a new cash bonus plan, which complies with Section 162(m) of the Code.

Discretionary Bonus

While our board of directors has not and our committee does not intend to regularly pay discretionary bonuses, during consideration of compensation for 2010 performance, our board of directors determined to award discretionary bonuses based on each named executive officer’s performance and accomplishments during the year. Historically, each of our named executive officers has also received a $1,000 holiday bonus each December. The discretionary bonuses awarded to our named executive officers in 2010 are set forth in the table above.

In June 2011, we paid a special one-time bonus to management with vested options to incentivize them to consummate our Refinancing Transactions and continue to pursue our performance objectives.

Following the offering, we do not plan to continue to grant discretionary cash bonuses on a regular basis.

Equity Compensation

We pay equity-based compensation to our named executive officers because it links our long-term results achieved for our stockholders and the rewards provided to named executive officers, thereby ensuring that such officers have a continuing stake in our long-term success.

Historically, we have granted equity awards to our named executive officers in conjunction with significant transactions and in conjunction with a named executive officer's initial hire or promotion to an executive position. We have provided this equity compensation to reward performance as well as to promote retention through delayed vesting. We believe that by weighting total compensation in favor of discretionary and performance-based bonuses, we have appropriately rewarded individual achievement while at the same time providing incentives to promote company performance. In the future, we plan to increase our use of long-term equity incentives, particularly through grants of stock options under our 2011 Omnibus Equity Incentive Plan (the "2011 Plan"), to further align the interests of our executives with those of stockholders. In addition to stock options, the 2011 Plan provides for the issuance of share appreciation rights, restricted shares, deferred shares, performance shares and other share based awards. In the future, we may consider granting other forms of equity to our named executive officers. For additional information regarding our 2011 Plan, see "Executive Compensation—2011 Omnibus Equity Incentive Plan."

During 2010, we granted Michael Hatcher a stock option for the purchase of up to 45,000 shares of our common stock in connection with his promotion to Vice President of Real Estate Development and to bring his compensation in line with the compensation of our other named executive officers.

Prior to the completion of this offering, we will adopt the 2011 Plan as insufficient shares are available under our existing equity plan. In November 2006, we adopted our 2006 Stock Option Plan (the "2006 Plan") in order to provide an incentive to employees selected by the board of directors for participation. In conjunction with our reverse stock split and in accordance with the 2006 Plan, we adjusted the exercise price of and the number of shares subject to our outstanding equity awards to reflect the : reverse stock split. In connection with the adoption of the 2011 Plan, we terminated the 2006 Plan, and no further awards will be granted under the 2006 Plan. The termination of the 2006 Plan will not affect awards outstanding under the 2006 Plan at the time of its termination and the terms of the 2006 Plan will continue to govern outstanding awards granted under the 2006 Plan.

Options granted after 2006 held by each of the named executive officers (and certain of our other salaried employees) ordinarily vest ratably over a period of five years, subject to the applicable named executive officer remaining employed through each vesting date. The equity awards granted to our named executive officers in 2006 vest with respect to 60%, 20% and 20% of the shares subject to the awards on the third, fourth and fifth anniversaries, respectively, of the date of grant of the awards. We believe that the delayed vesting terms promote retention.

Following consummation of this offering, we will make grants of stock options to the current named executive officers and other employees under the 2011 Plan. We will make these grants to the current named executive officers and other employees because we believe that we should provide our employees an opportunity to share in our success provided they continue to contribute to its success.

Severance and Transaction-Based Benefits

Except with respect to Mr. Hislop, we do not have, and do not expect to enter into prior to the consummation of this offering, any agreements, plans or programs for the payment of severance to any named executive officers. Except with respect to Mr. Hislop, any severance or termination payments to our named executive officers will be determined in the discretion of the compensation committee. As a recruitment incentive for Mr. Hislop, in negotiating his employment agreement in 2007, we agreed to pay one year of severance plus vested benefits and options in the event of his termination by us without cause. We believe this level of severance benefit provides Mr. Hislop with the assurance of security if his employment is terminated for reasons beyond his control. In addition, pursuant to Mr. Hislop's employment agreement, upon a sale or other transaction in which Goode Partners LLC, our sponsor, sells 50% or more of their securities while Mr. Hislop is employed by us, or if there is an initial public offering, all of Mr. Hislop's stock options will vest immediately.

In the event of a termination of one of our other named executive officers, any termination or severance benefits would be determined on a case-by-case basis.

Upon a change in control, our named executive officers' equity awards granted under the 2006 Plan would vest.

The amount each named executive would be entitled to receive in the event of a termination is reported below under the heading "—Potential Payments upon Termination or Change in Control."

Perquisites

In 2010, we provided complimentary dining as a personal-benefit perquisite to named executive officers. The aggregate incremental cost to us of the perquisites received by each of the named executive officers in 2010 did not exceed $10,000 and, accordingly, this benefit is not included in the Summary Compensation Table below. We provide the named executive officers with complimentary dining privileges at our restaurants. We view complimentary dining privileges as a meaningful benefit to our named executive officers as it is important for named executive officers to experience our products and services in order to better perform their duties for us.

General Benefits

We provide a limited number of personal benefits to our named executive officers. Our named executive officers participate in our health and benefit plans, and are entitled to vacation and paid time off based on our general vacation policies.

The following are standard benefits offered to all of our eligible employees, including the named executive officers.

Retirement Benefits. We maintain a tax-qualified 401(k) savings plan. Employees are eligible after one year of service and may defer up to the maximum amount allowable by the IRS.

Medical, Dental, Life Insurance and Disability Coverage. Active employee benefits such as medical, dental, life insurance and disability coverage are available to all eligible employees, including our named executive officers.

Moving Costs. We will reimburse out-of-pocket moving expenses for eligible executive officers in conjunction with their hiring.

Other Paid Time Off Benefits. We also provide vacation and other paid holidays to all employees, including the named executive officers, which we believe are appropriate for a company of our size and in our industry.

Tax and Accounting Considerations

U.S. federal income tax generally limits the tax deductibility of compensation we pay to our executive officers to $1.0 million in the year the compensation becomes taxable to the executive officers. There is an exception to the limit on deductibility for performance-based compensation that meets certain requirements. Although deductibility of compensation is preferred, tax deductibility is not a primary objective of our compensation programs. Rather, we seek to maintain flexibility in how we compensate our executive officers so as to meet a broader set of corporate and strategic goals and the needs of stockholders, and as such, we may be limited in our ability to deduct amounts of compensation from time to time. Accounting rules require us to expense the cost of our stock option grants. Because of option expensing and the impact of dilution on our stockholders, we pay close attention to, among other factors, the type of equity awards we grant and the number and value of the shares underlying such awards.

Executive Compensation

Summary Compensation Table

NAME & PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	OPTION AWARDS ($) [1]	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)	ALL OTHER COMPENSATION ($) [2]	TOTAL COMPENSATION ($)
Steve Hislop President, Chief Executive Officer and Director	2010	333,280	3,912	—	201,750	4,565	543,507
Sharon Russell Chief Financial Officer	2010	151,904	1,796	—	55,173	5,211	214,084
Frank Biller Vice President of Operations, Southeast Region	2010	156,434	1,699	—	48,428	4,325	210,886
Michael Hatcher Vice President of Real Estate and Development	2010	135,641	1,711	79,650	49,266	6,071	272,339
Ted Zapp Vice President of Operations	2010	151,904	1,796	—	55,173	5,055	213,928

(1) Represents the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, for awards of options. See note 10 to our consolidated financial statements for a discussion of the calculations of grant date fair value.

(2) Includes medical, dental, life and long term disability insurance as well as amounts paid pursuant to our 401(k) matching program.

Grants of Plan-Based Awards

NAME	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS [1] THRESHOLD ($)	TARGET ($)	MAXIMUM ($)	ALL OTHER OPTION AWARDS: NUMBER OF SECURITIES UNDERLYING OPTIONS	EXERCISE OR BASE PRICE OF OPTION AWARDS ($/SH)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS ($) [2]
Steve Hislop		—	166,640	333,280	—	—	—
Sharon Russell		—	45,571	91,142	—	—	—
Frank Biller		—	40,000	80,000	—	—	—
Michael Hatcher	01/01/2010	—	40,692	81,384	45,000	$ 2.98	79,650
Ted Zapp		—	45,571	91,142	—	—	—

(1) For performance in 2010, Messrs. Hislop, Biller, Hatcher and Zapp and Mrs. Russell received performance-based bonuses of $201,750, $48,428, $49,266, $55,173 and $55,173, respectively. See "Compensation Discussion and Analysis—Performance-Based Bonuses" for more information on our performance-based bonus program and the minimum, target and maximum awards thereunder.

(2) Represents the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, for awards of options. See note 10 to our consolidated financial statements for a discussion of the calculations of grant date fair value.

2011 Omnibus Equity Incentive Plan

Prior to the completion of this offering, we will adopt the 2011 Plan. The purposes of the 2011 Plan are to provide additional incentives to our management, employees, directors, independent contractors and consultants, to strengthen their commitment, motivate them to faithfully and diligently perform their responsibilities and to attract and retain competent and dedicated persons whose contributions are essential to the success of our business and whose efforts will impact our long-term growth and profitability. To accomplish such purposes, the 2011 Plan will provide for the issuance of stock options, share appreciation rights, restricted shares, deferred shares, performance shares and other share-based awards, which we refer to as plan awards.

While we intend to issue plan awards to employees, directors, independent contractors or consultants as a recruiting and retention tool, we have not established specific parameters regarding future grants. Once appointed, our compensation committee will determine the specific criteria surrounding the grant of plan awards. The following description summarizes the expected features of the 2011 Plan.

Summary of 2011 Plan Terms

A total of shares of common stock are reserved and available for issuance under the 2011 Plan. When Section 162(m) of the Code becomes applicable to us, the maximum aggregate awards that may be granted during any fiscal year to any individual will be shares, and in the case of options to acquire shares, with a per share exercise price equal to the grant date fair market value of a share. If the shares underlying any plan award are forfeited, cancelled, exchanged or surrendered or if a plan award otherwise terminates or expires without a distribution of shares, the shares will again become available under the 2011 Plan provided that shares surrendered or withheld as payment of either the exercise price of an award (including shares otherwise underlying an award of a share appreciation right that are retained by us to account for the grant price of such share appreciation right) and/or withholding taxes in respect of an award will no longer be available for grant under the 2011 Plan, and notwithstanding that a share appreciation right is settled by the delivery of a net number of shares of the full number of shares underlying such share appreciation right will not be available for subsequent awards under the 2011 Plan. In addition, awards are paid or settled in cash, the number of shares with respect to which such payment or settlement is made will again be available for grants of awards under the 2011 Plan and shares underlying awards that can only be settled in cash will not be counted against the aggregate number of shares available for awards under the 2011 Plan.

The 2011 Plan will initially be administered by our board of directors, or any committee or subcommittee the board may appoint to administer the 2011 Plan (such person(s), the plan administrator). The plan administrator may construe and interpret the 2011 Plan and may adopt, alter and repeal rules and make all other determinations necessary or desirable to administer the 2011 Plan.

The plan administrator may select the employees, directors, independent contractors and consultants who will receive plan awards, determine the terms and conditions of those awards, including but not limited to the exercise price, the number of shares of common stock subject to awards, the term of the awards, and the vesting schedule applicable to awards. Unless otherwise determined by the plan administrator, all awards that vest solely on a requirement of continued employment or service may not become fully vested prior to the second anniversary of the date upon which the award is granted.

We may issue stock options under the 2011 Plan. All stock options granted under the 2011 Plan are intended to be non-qualified stock options and are not intended to qualify as “incentive stock options” within the meaning of Section 422 of the Code. The option exercise price of all stock options granted under the 2011 Plan will be determined by the plan administrator, but in no event will the exercise price be less than 100% of the fair market value of the common stock on the date of grant. The term of all stock options granted under the 2011 Plan will be determined by the plan administrator, but may not exceed ten years from the date of grant. Each stock option will be exercisable at such time and subject to such terms and conditions as determined by the plan administrator in the applicable stock option agreement. Other than equitable adjustments made in connection to a change in capitalization, under no circumstances will an exercise price be reduced following the date of the grant of an option, nor will an option be cancelled in exchange for a replacement option with a lower exercise price without stockholder approval.

Unless the applicable stock option agreement provides otherwise, in the event of an optionee’s termination of employment or service for any reason other than for cause, disability or death, such optionee’s stock options (to the extent exercisable at the time of such termination) generally will remain exercisable until 30 days after such termination and then expire. Unless the applicable stock option agreement provides otherwise, in the event of an optionee’s termination of employment or service due to, disability or death, such optionee’s stock options (to the extent exercisable at the time of such termination) generally will remain exercisable until one year after such termination and will then expire. For certain employees, a demotion in position will result in a loss of unvested options. If termination was for any other reason other than for cause, stock options that were not exercisable on the date of termination will expire at the close of business on the date of such termination. In the event of an optionee’s

termination of employment or service for cause, such optionee's outstanding stock options will expire at the commencement of business on the date of such termination. The plan administrator may waive the vesting requirements based on such factors as the plan administrator deems appropriate.

Share appreciation rights ("SARs") may be granted under the 2011 Plan either alone or in conjunction with all or part of any stock option granted under the 2011 Plan. A free-standing SAR granted under the 2011 Plan entitles its holder to receive, at the time of exercise, the number of shares, or alternate form of payment determined by the plan administrator, equal in value to the excess of the fair market value (at the date of exercise) over a specified price fixed by the plan administrator (which shall be no less than fair market value at the date of grant). A SAR granted in conjunction with all or part of an option under the 2011 Plan entitles its holder to receive, upon surrendering of the related option, the number of shares, or alternate form of payment determined by the plan administrator, equal in value to the excess of the fair market value (at the date of exercise) over the exercise price of the related stock option. The term of all SARs granted under the 2011 Plan will be determined by the plan administrator, but may not exceed ten years from the date of grant. In the event of a participant's termination of employment or service, free-standing SARs will be exercisable at such times and subject to such terms and conditions determined by the plan administrator, while SARs granted in conjunction with all or part of an option will be exercisable at such times and subject to terms and conditions applicable to the related option. Other than equitable adjustments made in connection to a change in capitalization, under no circumstances will an exercise price be reduced following the date of the grant of a SAR, nor will a SAR be cancelled in exchange for a replacement SAR with a lower exercise price without stock holder approval.

Restricted shares, deferred shares and performance shares may be granted under the 2011 Plan. The plan administrator will determine the number of shares to be awarded, the purchase price, vesting schedule and performance objectives, if any, applicable to the grant of restricted shares, deferred shares and performance shares. Participants with restricted shares and performance shares generally have all of the rights of a stockholder and deferred shares generally do not have the rights of a stockholder. However, during the restricted period, deferred shares may be paid dividends on the number of shares covered by the deferred shares if the applicable award agreement so provides. If the performance goals and other restrictions are not satisfied, the restricted shares, deferred shares and/or performance shares will be forfeited in accordance with the terms of the grant. Subject to the provisions of the 2011 Plan and applicable award agreement, the plan administrator has sole discretion to provide for the lapse of restrictions in installments or the acceleration or waiver of restrictions (in whole or part) under certain circumstances, based upon such factors including, but not limited to, the attainment of certain performance goals, a participant's termination of employment or service or a participant's death or disability.

The 2011 Plan also authorizes grants of other share-based awards, such as unrestricted shares, restricted stock units, dividend equivalents or performance units. The plan administrator will determine the terms and conditions of such awards, consistent with the terms of the 2011 Plan, at the date of grant or thereafter, including any performance goals and performance periods.

In the case of awards subject to performance goals, such goal may be based on one or more of the following criteria: (i) earnings, including one or more of operating income, earnings before or after taxes, earnings before or after interest, depreciation, amortization, adjusted EBITDA, economic earnings, or extraordinary or special items or book value per share (which may exclude nonrecurring items); (ii) pre-tax income or after-tax income; (iii) earnings per share (basic or diluted); (iv) operating profit; (v) revenue, revenue growth or rate of revenue growth; (vi) return on assets (gross or net), return on investment, return on capital, or return on equity; (vii) returns on sales or revenues; (viii) operating expenses; (ix) share price appreciation; (x) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xi) implementation or completion of critical projects or processes; (xii) cumulative earnings per share growth; (xiii) operating margin or profit margin; (xiv) cost targets, reductions and savings, productivity and efficiencies; (xv) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons; (xvi) personal professional objectives, including any of the foregoing performance goals, the implementation of policies and plans, the negotiation of transactions, the development of long term business goals, formation of joint ventures, research or development collaborations, and the completion of

other corporate transactions; and (xvii) any combination of, or a specified increase in, any of the foregoing. Where applicable, a performance goal may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the company or a company affiliate, or a division or strategic business unit of the company, or may be applied to the performance of the company relative to a market index, a group of other companies or a combination thereof, all as determined by the Administrator. The performance goals may include a threshold level of performance below which no payment may be made (or no vesting may occur), levels of performance at which specified payments may be made (or specified vesting may occur), and a maximum level of performance above which no additional payment shall be made (or at which full vesting may occur). Each of the foregoing performance goals will determine in accordance with generally accepted accounting principles, as applicable, and may be subject to certification by the committee; provided, that the committee shall have the authority to make equitable adjustments to the performance goals, to the extent permitted under Section 162(m) of the Code, if applicable, in recognition of unusual or non-recurring events affecting the company or any company affiliate thereof or the financial statements of the company or any company affiliate thereof, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles.

In the event of a merger, amalgamation, consolidation, recapitalization, reorganization, stock dividend, stock split or other change in corporate structure affecting the common stock, an equitable substitution or proportionate adjustment shall be made, as may be determined by the plan administrator, in (a) the aggregate number of shares of common stock reserved for issuance under the 2011 Plan and the maximum number of shares of common stock that may be subject to awards granted to any participant in any calendar year, (b) the kind, number and exercise price subject to outstanding stock options and SARs granted under the 2011 Plan, and (c) the kind, number and purchase price of shares of common stock subject to outstanding awards of restricted shares, deferred shares, performance shares or other share-based awards granted under the 2011 Plan. In addition, the plan administrator, in its discretion, may terminate all outstanding awards for the payment of cash or in-kind consideration. However, no adjustment or payment may cause any award under the 2011 Plan that is or becomes subject to Section 409A of the Code to fail to comply with the requirements of that section.

Unless otherwise determined by the plan administrator and evidenced in an award agreement, in the event that a change in control occurs and a participant's employment or service is terminated without cause on or after the effective date of the change in control but prior to 12 months following the change in control, then any unvested or unexercisable portion of any award carrying a right to exercise shall become fully vested and exercisable, and the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to an award granted under the 2011 Plan will lapse and such unvested awards will be deemed fully vested and any performance conditions imposed with respect to such awards will be deemed to be fully achieved at the target level. Under the 2011 Plan, the term change in control generally means: (a) any person other than the company, any company affiliate or subsidiary, becomes the beneficial owner, directly or indirectly, of securities representing 50% or more of our then-outstanding voting power (excluding shares purchased directly from us or our affiliates); (b) a change in the majority of the membership of our board of directors other than directors approved by two-thirds of the directors (other than directors assuming office in conjunction with an election contest) who constituted the board of directors at the time this offering is consummated, or whose election was previously so approved; (c) the consummation of a merger, amalgamation or consolidation of us or any of our subsidiaries with any other corporation, other than a merger or amalgamation immediately following which our board of directors immediately prior to the merger or amalgamation constitute at least a majority of the directors of the company surviving or continuing after the merger or amalgamation or, if the surviving company is a subsidiary, the ultimate parent thereof; or (d) our stockholders approve a plan of complete liquidation or dissolution of our company or there is consummated an agreement for the sale or disposition of all or substantially all of our assets, other than (1) a sale of such assets to an entity, at least 50% of the voting power of which is held by our stockholders following the transaction in substantially the same proportions as their ownership of the company immediately prior to the transaction or (2) a sale or disposition of such assets immediately following which our board of directors immediately prior to such sale constitute at least a majority of the board of directors of the entity to which the assets are sold or disposed, or, if that entity is a subsidiary, the ultimate parent thereof. The completion of this offering will not be a change of control under the 2011 Plan.

Until such time as the awards are fully vested and/or exercisable in accordance with the 2011 Plan, awards may not be sold, assigned, mortgaged, hypothecated, transferred, charged, pledged, encumbrance, gifted, transferred in trust (voting or other) or disposed in any other manner, except with the prior written consent of the administrator, which consent may be granted or withheld in the sole discretion of the plan administrator, which consent may be granted or withheld in the sole discretion of the plan administrator.

The 2011 Plan provides our board of directors with authority to suspend or terminate the 2011 Plan or any award, or revise and amend the 2011 Plan. However, stockholder approval is required for any amendment to the extent it is required to comply with applicable law or stock exchange listing requirements. The 2011 Plan will automatically terminate on the tenth anniversary of the effective date (although awards granted before that time will remain outstanding in accordance with their terms).

The award agreements for the 2011 Plan provide the board of directors and the plan administrator with the sole discretion to cancel or require repayments of awards in the event an award recipient engages in certain conduct deemed harmful to the Company.

We intend to file with the SEC a registration statement on Form S-8 covering the shares issuable under the 2011 Plan.

United States Federal Income Tax Consequences of Plan Awards

The following is a summary of certain United States Federal income tax consequences of awards under the 2011 Plan. It does not purport to be a complete description of all applicable rules, and those rules (including those summarized here) are subject to change.

An optionee generally will not recognize taxable income upon the grant of a non-qualified stock option. Rather, at the time of exercise of such non-qualified stock option, the optionee will recognize ordinary income for income tax purposes in an amount equal to the excess of the fair market value of the shares purchased over the exercise price. We generally will be entitled to a tax deduction at such time and in the same amount that the optionee recognizes ordinary income. If shares acquired upon exercise of a non-qualified stock option are later sold or exchanged, then the difference between the amount received upon such sale or exchange and the fair market value of such shares on the date of such exercise will generally be taxable as long-term or short-term capital gain or loss (if the shares are a capital asset of the optionee) depending upon the length of time such shares were held by the optionee.

A participant who is granted a share appreciation right will not recognize ordinary income upon receipt of the share appreciation right. At the time of exercise, however, the participant will recognize compensation income equal to the value of any cash received and the fair market value on the date of exercise of any shares received. We will not be entitled to a deduction upon the grant of a share appreciation right, but generally will be entitled to a compensation deduction for the amount of compensation income the participant recognizes upon the participant's exercise of the share appreciation right. The participant's tax basis in any shares received will be the fair market value on the date of exercise and, if the shares are later sold or exchanged, then the difference between the amount received upon such sale or exchange and the fair market value of the shares on the date of exercise will generally be taxable as long-term or short-term capital gain or loss (if the shares are a capital asset of the participant) depending upon the length of time such shares were held by the participant.

A participant generally will not be taxed upon the grant of a restricted share or performance award, but rather will recognize ordinary income in an amount equal to the fair market value of the shares at the time the shares are no longer subject to a substantial risk of forfeiture (within the meaning of the Code). We generally will be entitled to a deduction at the time when, and in the amount that, the participant recognizes ordinary income on account of the lapse of the restrictions. A participant's tax basis in the shares will equal their fair market value at the time the restrictions lapse, and the participant's holding period for capital gains purposes will begin at that time. Any cash dividends paid on the shares before the restrictions lapse will be taxable to the participant as additional compensation (and not as dividend income). Under Section 83(b) of the Code, a participant may elect to recognize ordinary income at the time the restricted or performance shares are awarded in an amount equal to their fair market value at that time, notwithstanding the fact that such shares are subject to restrictions and a substantial risk of forfeiture. If such an election is made, no additional taxable income will be recognized by such participant at the

time the restrictions lapse, the participant will have a tax basis in the shares equal to their fair market value on the date of their award, and the participant's holding period for capital gains purposes will begin at that time. We generally will be entitled to a tax deduction at the time when, and to the extent that, ordinary income is recognized by such participant.

In general, the grant of deferred shares will not result in income for the participant or in a tax deduction for us. Upon the settlement of such an award, the participant will recognize ordinary income equal to the aggregate value of the payment received, and we generally will be entitled to a tax deduction in the same amount.

2006 Stock Option Plan

In November 2006, we adopted the 2006 Plan. Under the 2006 Plan and before taking into account our : reverse stock split, we were authorized to issue up to 2,722,222 shares of our common stock and, as of March 27, 2011, 42,263 shares of our common stock remained available for future grant under the plan. In connection with the adoption of the 2011 Plan as described in "Compensation Discussion and Analysis—2011 Omnibus Equity Incentive Plan," the board of directors terminated the 2006 Plan effective as of the date this offering is completed, and no further awards will be granted under the 2006 Plan after such date. However, the termination of the 2006 Plan will not affect awards outstanding under the 2006 Plan at the time of its termination and the terms of the 2006 Plan will continue to govern outstanding awards granted under the 2006 Plan. The options granted under the 2006 Plan expire 10 years after the date of grant. Subject to the grantee's continued employment with us, options granted on December 6, 2006 vest 60% on the third anniversary of the date of grant and 20% on each of the fourth and fifth anniversary of the date of grant. Subject to the grantee's continued employment with us, all other options granted under the plan vest 20% on each of the first five anniversaries of the date of grant.

We intend to file with the SEC a registration statement on Form S-8 covering the shares issuable under the 2006 Plan.

Outstanding Equity Awards at Fiscal Year End

	OPTION AWARDS			
NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) EXERCISABLE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) UNEXERCISABLE	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE
Steve Hislop	580,800	387,200 (1)	$ 1.00	07/09/2017
	82,800	55,200 (1)	$ 3.80	07/09/2017
Sharon Russell	200,000	50,000 (2)	$ 1.00	12/06/2016
Frank Biller	30,000	45,000 (3)	$ 2.17	01/01/2019
Michael Hatcher	64,000	16,000 (2)	$ 1.00	01/10/2016
	9,000	36,000 (4)	$ 2.98	01/10/2019
Ted Zapp	200,000	50,000 (2)	$ 1.00	12/06/2016

(1) These options were granted on July 9, 2007 and vest 20% on each of the first five anniversaries of the grant date.
(2) These options were granted on December 6, 2006 and vest 60% on the third anniversary of the grant date and 20% on each of the fourth and fifth anniversaries of the grant date.
(3) These options were granted on January 1, 2009 and vest 20% on each of the first five anniversaries of the grant date.
(4) These options were granted on January 1, 2010 and vest 20% on each of the first five anniversaries of the grant date.

Potential Payments upon Termination or Change in Control

Termination of Employment

With the exception of Mr. Hislop, we do not have any agreements with the named executive officers that would entitle them to severance payments upon termination of employment.

Under Mr. Hislop's employment agreement, he will be entitled to (a) any earned but unpaid salary; (b) one year of his base salary at the time of termination; (c) any vested portion of the company's contribution to his 401k and

(d) any vested options following his termination of employment by us without cause. For purposes of Mr. Hislop's employment agreement, "cause" generally means: (i) commission of any act of fraud, embezzlement or dishonesty; (ii) any intentional misconduct that has a materially adverse effect upon our business or reputation; (iii) the admission or conviction of, or entering of a plea of nolo contendere to, any felony or any lesser crime involving moral turpitude, fraud, embezzlement or theft; (iv) any intentional violation of a written policy of the company that remains uncured 15 days after notice from us describing such violation; (v) the use of alcohol or illegal drugs (or prescription drugs in a manner other than as prescribed by a physician), interfering with the performance of obligations under the employment agreement or (vi) a breach of the confidentiality, non-solicitation or non-disparagement provisions of the employment agreement. Assuming Mr. Hislop's employment was terminated by us without cause on December 26, 2010, he would have received a total of approximately $333,280 in severance under his employment agreement.

Change-in-Control

Under the 2006 Plan, our named executive officer's stock options granted under that plan will immediately vest, in the event that (i) we are merged, consolidated or reorganized into or with another corporation and immediately afterwards our current owners no longer own a majority of the outstanding stock of the merged, consolidated or reorganized corporation; (ii) we sell or otherwise transfer all or substantially all of our assets to another corporation; (iii) our sponsor and its affiliates, for any reason other than an initial public offering, cease to own a majority of our stock; (iv) after a public offering any person becomes, directly or indirectly, the beneficial owner of more than 50% of our stock; and (v) our stockholders approve a plan of complete liquidation or dissolution of the company.

In addition, under Mr. Hislop's employment agreement, all of Mr. Hislop's stock options will vest immediately upon a change of control. Under Mr. Hislop's employment agreement, a change of control means (i) a sale of all or substantially all of our assets; (ii) a merger in which we are not the surviving entity (other than a merger whereby a majority of our stockholders prior to the transaction remain in control of the entity surviving such merger); (iii) a sale of all or substantially all of our shares of capital stock; (iv) the initial public offering of the capital stock of the company or (v) any other transaction resulting in our majority stockholder no longer controlling the company, in all such cases in one or a series of related transactions.

Assuming Mr. Hislop's employment was terminated following a change in control on December 26, 2010, he would have received a total of approximately $1,141,672 as a result of the vesting of his unvested stock options and $333,280 in severance under his employment agreement. If Messrs. Biller, Hatcher and Zapp and Mrs. Russell were terminated following a change in control on December 26, 2010, they would receive $105,600, $89,630, $146,500 and $146,500, respectively, as a result of the vesting of his or her unvested stock options. As of December 26, 2010, the fair market value of our common stock was $3.93.

Director Compensation

Our board of directors has not historically received compensation. Upon the completion of this offering, we plan to implement a compensation plan for our board of directors. Our directors who are also employees will not receive compensation for their services as directors. Directors who are not employees will receive an annual cash retainer of $30,000 and an annual grant of stock options to purchase up to 15,000 shares of our common stock with 20% of such granting vesting on each of the subsequent anniversaries of the date of grant, based on the Black-Scholes method of valuation. Our audit committee chairperson will receive a $10,000 cash retainer fee. Neither the chairperson of our compensation committee nor the chairperson of our nominating and corporate governance committee will not receive a retainer or any direct compensation. We will also reimburse directors for all expenses incurred in attending board meetings.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions that occurred on or were in effect after January 1, 2008 to which we have been a party in which the amount involved exceeded $120,000 and in which any of our executive officers, directors or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest.

2010 Stock Sale

In May 2010, we sold an aggregate of 1,676,316 shares of series X preferred stock at a price of $2.98 per share to Goode Chuy's Direct LLC, an affiliate of Goode Partners LLC (our "Sponsor"), Steve Hislop, Frank Biller, MY/ZP Equity, LLC, an entity owned by Michael Young and by John Zapp (jointly, our "Founders"), J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC and 522 Fifth Avenue Fund, L.P., who purchased, 725,853.97, 20,323.91, 6,689.91, 197,593.56, 718,595.43 and 7,258.54 shares, respectively. For a description of the rights, preferences, privileges and restrictions of our series X preferred stock, see "Description of Capital Stock—General."

In December 2010, we sold 27,500 shares of our common stock at a price per share of $3.64 for an aggregate purchase price of $100,048.16 to Ted Zapp and Sharon Russell and 13,750 shares of our common stock at a price per share of $3.64 for an aggregate purchase price of $50,024.08 to Michael Hatcher.

For a description of the rights, preferences, privileges and restrictions of our common stock, see "Description of Capital Stock—Common Stock."

Purchase of Common Stock by our Executives

Pursuant to options to purchase our common stock granted in conjunction with joining the company, we sold 280,000 shares of our common stock at a price of $1.00 per share for a total of $280,000 to Steve Hislop in May 2008, and 92,166 shares of our common stock at a price of $2.17 per share for an aggregate purchase price of $200,000 to Frank Biller in April 2009. For a description of the rights, preferences, privileges and restrictions of our common stock, see "Description of Capital Stock—Common Stock."

Acquisition Related Transactions

In connection with the consummation of our acquisition by our Sponsor in November 2006, we entered into the following transactions:

Stockholders Agreement

In November 2006, we entered into a stockholders agreement with Goode Chuy's Holdings, LLC (our "Controlling Stockholder"), MY/ZP Equity, LLC, the Founders and directors of our company, and certain option holders with the right to acquire shares of our common stock. In May 2010, we amended and restated the stockholders agreement in conjunction with the sale of our series X preferred stock to add Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC and 522 Fifth Avenue Fund, L.P., the new stockholders resulting from that sale. In the May 2010 amendment and restatement, we also added Steve Hislop and Frank Biller, who purchased shares of common stock in April 2009, as parties thereto. The stockholders agreement contains certain agreements amongst our stockholders regarding matters of corporate governance and transactions in our common stock. In connection with the consummation of this offering, certain provisions of the stockholders agreement related to transfer restrictions, tag along rights, drag along rights, right of first offer, participation rights and corporate governance provisions, such as the one regarding the election of directors, will terminate in accordance with the terms of the agreement. For further discussion of the stockholders agreement, see "Description of Capital Stock—Registration Rights" in this prospectus.

Advisory Agreement

We entered into an advisory agreement (the "Advisory Agreement") with the Sponsor, pursuant to which the Sponsor agreed to provide us with certain financial advisory services. In exchange for these services, we paid a one-time transaction fee to our Sponsor of $450,000, and we pay our Sponsor an aggregate annual management fee of

$350,000, and reimburse our Sponsor for out-of-pocket expenses incurred in connection with the provision of services pursuant to the agreement. The agreement includes customary exculpation and indemnification provisions in favor of the Sponsor and its respective affiliates which will survive the termination of this Advisory Agreement. The agreement may be terminated by the Sponsor at any time upon five days prior notification and will terminate when our Sponsor and its affiliates own less than 20% of the shares of common stock owned by them on November 7, 2006 (assuming full conversion of all series A preferred stock held by them). Upon the completion of this offering, we and the Sponsor have agreed to terminate the Advisory Agreement in exchange for a termination fee of $2.0 million.

Bonus Payments and Related Note

In conjunction with the Sponsor's investment, the Sponsor implemented a retention bonus plan. Under the plan, $7.0 million was to be paid to employees. We paid $2.1 million in bonuses in each of the first and second year of the plan and $700,000 in the third year of the plan. In addition, we paid an additional $0.2 million in payroll taxes. After the third year, Three Star Management, Ltd., an entity in which each of Michael Young and John Zapp own 49.5% and Three Star Management GP, in which Michael Young and John Zapp each own 50%, as general partner owns 1% and MY/ZP IP Group, Ltd., ("MY/ZP IP"), an entity owned 50% by each of our Founders, took over the payment of these bonuses. We made a note payable to Three Star Management, Ltd., to cover the remaining bonus payments. This Note bears interest at 15.00% per annum and requires principal and interest payments of $77,778 per month commencing on September 1, 2009 through maturity in November 2011, with initial payments allocated to accrued interest.

Purchase of Arbor Trails Restaurant

In November 2006, the Arbor Trails location was under development by our Founders. As part of the total purchase price for Chuy's Comida Deluxe, Inc., we agreed to a contingent amount based on the future cash flow of the Arbor Trails location. Specifically, we entered into a letter agreement with Three Star Management, Ltd. and MY/ZP IP Group GP, LLC with respect to the development of our Arbor Trails location. A portion of the purchase price was contingent on the future operating profit of Arbor Trails. The contingent purchase price element was to be based on four times the trailing twelve-month restaurant level cash flow. In November 2009, we paid our Founders $3,781,835 and recorded $409,335 in property and equipment and the remaining $3,372,500 was recorded in goodwill.

Default License Letter Agreements

We entered into letter agreements with respect to the properties that we lease from Young/Zapp GP, LLC ("Young/Zapp"), an entity owned 50% by each of our Founders, and its subsidiaries. Pursuant to these letter agreements, if we default under our lease agreements with Young/Zapp and terminate possession of the lease location, Young/Zapp may operate a Tex Mex or Mexican food restaurant in that location. However, they may not use our trademarks or trade names or confusingly similar trademarks or tradenames.

Intellectual Property

Banana Peel Software. We entered into the Banana Peel Software License Agreement with Banana Peel, LLC, an entity in which Michael Young, John Zapp and Sharon Russell each own 25% of the company. The agreement grants us a non-exclusive royalty-free license to use the software for our restaurants and to receive any updates or upgrades to the software. Banana Peel, LLC has agreed to license its software to our Sponsor or any of its controlled entities upon our request.

Recipe License Agreement. We entered into the recipe license agreement with MY/ZP IP to allow the use of certain of our recipes by MY/ZP IP at Shady Grove, Inc. ("Shady Grove"), a restaurant owned by our Founders and directors of our company.

Management Agreement

We entered into a management agreement with Three Star Management, Ltd. to provide management services, such as administrative, accounting and human resources support, to Shady Grove. In consideration of the services we provide to Shady Grove, Three Star Management, Ltd. agreed to pay us a monthly fee of $10,000, a pro rata share of the wages and expenses incurred to provide the services and the reimbursement of reasonable out-of-pocket expenses. Due to a reduction in the locations receiving management services, we agreed to reduce the fee to a $10,000 quarterly payment.

Management System License Agreement

We entered into a management system license agreement with MY/ZP IP to allow the use of certain of our handbooks, personnel training materials and other materials relating to our business know-how and personnel management know-how by Shady Grove and in any other endeavors of MY/ZP IP, subject to certain conditions.

Cross-Marketing License Agreement

We entered into a cross-marketing license agreement with MY/ZP IP to allow Shady Grove to market our brand at Shady Grove and allow us to market Shady Grove at our locations. Some cross-promotional activities include selling pre-printed cups, t-shirts, calendars, and birthday cards and co-branding our website and menus.

Parade Sponsorship Agreement

We entered into a parade sponsorship agreement with MY/ZP IP to obtain the right to sponsor, manage and operate the "Chuy's Children Giving To Children Parade" and to use MY/ZP IP's trademark in connection with the parade. In addition, we granted MY/ZP IP a limited license to use the Chuy's name in their trademark "Chuy's Children Giving To Children Parade."

Loan Agreement with our Chief Executive Officer

In conjunction with hiring and relocating of our Chief Executive Officer, Steve Hislop, in 2007, we agreed to lend Mr. Hislop the amount of his home mortgage payments on his prior residence as he was unable to sell the home when he relocated. Amounts paid for Mr. Hislop's mortgage accrue interest at 8% per annum. With respect to the loans in fiscal 2010, 2009 and 2008, Mr. Hislop repaid a principal amount of $107,145, $105,930 and $97,839, respectively and interest of $7,363, $5,526 and $3,540, respectively. During fiscal 2011, we lent $44,952 under this agreement and $2,983 interest accrued. In June 2011, Mr. Hislop repaid all outstanding principal and interest under the loan and we agreed to terminate the loan agreement.

Leases

We lease our corporate office space as well as our North Lamar, River Oaks, Highway 183, Round Rock, Shenandoah and Arbor Trails properties from subsidiaries of Young/Zapp, a company owned 47.5% by each of our Founders and 5.0% by Sharon Russell. In 2010, we paid Young/Zapp $9,000, $14,208, $25,693, $19,605, $23,737, $22,961 and $23,000 with respect to our headquarters, North Lamar, River Oaks, Hwy 183, Round Rock, Shenandoah and Arbor Trails locations, respectively. In 2009, we paid Young/Zapp $9,000, $14,208, $24,009, $19,605, $23,087, $22,332 and $23,000 with respect to our headquarters, North Lamar, River Oaks, Hwy 183, Round Rock, Shenandoah and Arbor Trails locations, respectively. In 2008, we paid Young/Zapp $9,000, $14,208, $24,009, $18,819, $23,087, $22,332 and $23,000 with respect to our headquarters, North Lamar, River Oaks, Hwy 183, Round Rock, Shenandoah and Arbor Trails locations, respectively. In addition, in 2010, 2009 and 2008, for locations that we lease from Young/Zapp where we operate a restaurant, we pay additional rent of 6% of gross sales minus the base rent per location.

Settlement Agreement

In June 2011, in connection with the departure of William C. Shackelford, a former director, we entered into a settlement agreement with Mr. Shackelford and his affiliates and our Sponsor with respect to Mr. Shackelford's option, dated December 6, 2006, to purchase up to 250,000 shares of our common stock. Prior to the date of the settlement agreement, Mr. Shackelford exercised and purchased 83,334 shares of common stock pursuant to this option. The settlement agreement provides, among other things, that with respect to Mr. Shackelford, we will pay him $52,896, his pro rata share of the special dividend paid to our stockholders in May 2011, waive our right to repurchase the shares he purchased pursuant to his option and grant him a one-time put option for $5.25 per share for the shares he purchased pursuant to his option exercisable from June 15, 2012 to August 13, 2012. In connection with this settlement agreement, we will also pay $175,000 to Mr. Shackelford. We and our Sponsor also agreed to allow Mr. Shackelford to sell his shares as a selling stockholder in the offering described in this prospectus and that he will not be subject to any restrictions on his ability to sell his shares following the offering.

Indemnification Agreements

We expect to enter into indemnification agreements with each of our directors and executive officers. Each indemnification agreement will provide that, subject to limited exceptions, and among other things, we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as our director or officer. See “Description of Capital Stock—Limitations on Directors’ and Officers’ Liability” for a general description of these agreements.

Related Party Transactions Policy

We intend to adopt a written policy relating to the approval of related party transactions. Our audit committee will review certain financial transactions, arrangements and relationships between us and any of the following related parties to determine whether any such transaction, arrangement or relationship is a related party transaction:

- any of our directors, director nominees or executive officers;
- any beneficial owner of more than 5% of our outstanding stock; and
- any immediate family member of any of the foregoing.

Our audit committee will review any financial transaction, arrangement or relationship that:

- involves or will involve, directly or indirectly, any related party identified above and is in an amount greater than $120,000;
- would cast doubt on the independence of a director;
- would present the appearance of a conflict of interest between us and the related party; or
- is otherwise prohibited by law, rule or regulation.

The audit committee will review each such transaction, arrangement or relationship to determine whether a related party has, has had or expects to have a direct or indirect material interest. Following its review, the audit committee will take such action as it deems necessary and appropriate under the circumstances, including approving, disapproving, ratifying, cancelling or recommending to management how to proceed if it determines a related party has a direct or indirect material interest in a transaction, arrangement or relationship with us. Any member of the audit committee who is a related party with respect to a transaction under review will not be permitted to participate in the discussions or evaluations of the transaction; however, the audit committee member will provide all material information concerning the transaction to the audit committee. The audit committee will report its action with respect to any related party transaction to the board of directors.

DESCRIPTION OF CAPITAL STOCK

The following discussion is a summary of the terms of our capital stock, our amended and restated certificate of incorporation and bylaws and certain applicable provisions of Delaware law. Copies of our amended and restated certificate of incorporation and bylaws are exhibits to the registration statement of which this prospectus is a part.

General

Prior to this offering, our authorized capital stock consisted of 32,601,462 shares of common stock, par value $0.01 of which 468,416 was issued and outstanding, 25,000,000 shares of series A preferred stock, par value $0.01, 2,722,222 shares of series B preferred stock, par value $0.01 and 1,676,316 shares of series X preferred stock, par value $0.01. Holders of our preferred stock have a liquidation preference and are entitled to receive distributions, in the event of a liquidation, as follows: (1) series X preferred stockholders would receive their original investment plus an annualized return of 20%, then, (2) series A preferred stockholders would receive their original investment, then, (3) series B preferred stockholders would receive their original investment, and then, (4) common stockholders would receive any remaining distributions. Each share of preferred stock will be convertible at the option of the holder, at any time, without the payment of additional consideration, in one share of common stock. Generally, each share of preferred stock will be converted on a mandatory basis into one share of common stock immediately before any underwritten offering pursuant to an effective registration statement resulting in at least $25.0 million in net proceeds to us. Upon mandatory conversion, each share of series A preferred stock, series B preferred stock and, subject to the following sentence, series X preferred stock will automatically convert to one share of common stock and our authorized preferred stock will be reduced by the number of converted shares of preferred stock. However, in the event that the fair market value of the series X preferred stock, as determined by our board of directors, is less than the liquidation preference applicable to the series X preferred stock, we will redeem the series X preferred stock by making a cash payment to satisfy the liquidation preference.

Prior to the closing of this offering, we will amend and restate our certificate of incorporation to, among other things, increase our authorized capital stock to shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01.

In accordance with the terms of our amended and restated certificate of incorporation, as soon as practicable prior to the closing of this offering, our preferred stock will automatically convert on a one to one basis into 29,398,538 pre-stock split shares of our common stock. In addition, the number of authorized shares of preferred stock will then be reduced by the number of shares of preferred stock converted. Prior to the closing of this offering, we will make certain changes to our amended and restated certificate of incorporation, including deleting all references to preferred stock and effecting a reverse stock split.

The holders of our outstanding common stock will receive shares of common stock after giving effect to a : reverse stock split of our outstanding common stock. Following the conversion of our preferred stock and reverse stock split but before the consummation of this offering, we will have shares of our outstanding common stock.

Common Stock

Voting Rights

The holders of our common stock are entitled to one vote per share on any matter to be voted upon by stockholders. Our articles of incorporation do not provide for cumulative voting in connection with the election of directors, and accordingly, holders of more than 50% of the shares voting will be able to elect all of the directors. The holders of a majority of the shares of common stock issued and outstanding constitute a quorum at all meetings of the shareholders for the transaction of business.

Dividends

The holders of our common stock are entitled to dividends our board of directors may declare, from time to time, from funds legally available therefore, subject to the preferential rights of the holders of our preferred stock, if any, and any contractual limitations on our ability to declare and pay dividends.

Other Rights

Upon the consummation of this offering, no holder of our common stock will have any preemptive right to subscribe for any shares of our capital stock issued in the future.

Upon any voluntary or involuntary liquidation, dissolution, or winding up of our affairs, the holders of our common stock are entitled to share ratably in all assets remaining after payment of creditors and subject to prior distribution rights of our preferred stock, if any.

Preferred Stock

Following the consummation of this offering, no shares of our preferred stock will be outstanding. Our amended and restated certificate of incorporation will provide that our board of directors may, by resolution, establish one or more classes or series of preferred stock having the number of shares and relative voting rights, designations, dividend rates, liquidation, and other rights, preferences, and limitations as may be fixed by them without further stockholder approval. The holders of our preferred stock may be entitled to preferences over common stockholders with respect to dividends, liquidation, dissolution, or our winding up in such amounts as are established by the resolutions of our board of directors approving the issuance of such shares.

The issuance of our preferred stock may have the effect of delaying, deferring or preventing a change in control of us without further action by the holders and may adversely affect voting and other rights of holders of our common stock. In addition, issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could make it more difficult for a third party to acquire a majority of the outstanding shares of voting stock. At present, we have no plans to issue any shares of preferred stock.

Registration Rights

The following describes the registration rights of certain of our stockholders under our stockholders agreement.

Demand Registration Rights

At any time and from time to time following the consummation of a qualified initial public offering our Controlling Stockholder, its affiliates and its permitted transferees, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors, III, LLC and 522 Fifth Avenue Fund, L.P., will be able to require us to use our reasonable best efforts to register their common stock under the Securities Act (subject to certain exceptions). In addition, following the consummation of a qualified initial public offering and upon the earlier of (a) the second anniversary of the qualified initial public offering or (b) the six month anniversary of a demand by one of the stockholders listed above, MY/ZP Equity, LLC may make one written request for registration under the Securities Act.

Form S-3 Registration Rights

When we become qualified to file registration statements on Form S-3, any party which may demand registration of their securities, may request that the registration be made on Form S-3. However, we are not required to register securities on Form S-3 more than twice in one year.

Piggyback Registration Rights

If we propose to register any of our own securities under the Securities Act in a public offering, we will be required to provide notice to our Controlling Stockholder, its affiliates and its permitted transferees, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors, III, LLC, 522 Fifth Avenue Fund, L.P., MY/ZP Equity, LLC, Steve Hislop, Frank Biller, option holders, or any of their permitted transferees relating to the registration and provide them with the right to include their shares in the registration statement. These piggy-back registration rights are subject to certain exceptions set forth in the stockholders agreement. Pursuant to the terms of the stockholders agreement, we obtained waivers of these piggy-back registration rights from our stockholders with respect to the offering described in this prospectus.

Expenses of Registration

We will be required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares of our common stock held by our Controlling Stockholder or other holders of our capital stock with registration rights under our stockholders agreement.

Termination of Registration Rights

Pursuant to the stockholders agreement, our stockholders' registration rights will terminate at such time as our stockholders are eligible to sell their shares pursuant to Rule 144, cease to hold our securities (or hold rights to acquire our securities) or as otherwise terminated pursuant to the written agreement of the parties thereto.

Restrictions on Transfer

Until November 7, 2011, MY/ZP Equity LLC, Steve Hislop, Frank Biller and our option holders are prohibited from transferring our capital stock to parties other than (a) certain permitted transferees (including our Controlling Stockholder, its affiliates and its permitted transferees, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors, III, LLC and 522 Fifth Avenue Fund, L.P. and certain permitted transferees), (b) in a qualified offering under Rule 144, (c) in accordance with the tag along or drag along provisions of the stockholders agreement or (d) after registration in accordance with our stockholders agreement. These restrictions will not expire upon the consummation of a qualified initial public offering.

Co-Sale Rights

Right of First Offer

If our Controlling Stockholder, its affiliates or its permitted transferees, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors, III, LLC or 522 Fifth Avenue Fund, L.P. propose to sell their series A preferred stock or their series X preferred stock or if we decide to sell the assets or the stock of the Company or our subsidiaries, we will be required to deliver notice to MY/ZP Equity, LLC of the proposed transaction containing the terms of the proposed transfer. Following delivery of the notice, MY/ZP Equity, LLC will have the right to submit a proposal within 30 days of receipt of the notice to enter into the transaction in lieu of the third party. The right of first offer will expire upon the consummation of a qualified initial public offering and will not apply with respect to any such offering.

Tag Along Rights

Prior to the consummation of a qualified initial public offering, and subject to the agreement's other transfer restrictions, if our Controlling Stockholder, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III, LLC and 522 Fifth Avenue Fund, L.P. proposes to transfer any of our capital stock held by such stockholder (other than to permitted transferees designated in the stockholders agreement), such transferor will be required to notify us and all other stockholders of the proposed transfer and the terms of the proposed transfer. Following delivery of such notice, stockholders will have the right to participate in such sale in accordance with their pro rata share (as calculated in the stockholders agreement). This right will expire upon the consummation of a qualified initial public offering and will not apply with respect to any such offering.

Drag Along Rights

If our Controlling Stockholder accepts an offer from any person (other than any of its affiliates or permitted transferees, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III, LLC or 522 Fifth Avenue Fund, L.P.) to effect the sale of all of our series A preferred stock and series X preferred stock, our Controlling Stockholder will have the right to cause all stockholders to participate in the sale. The drag along rights will expire upon the consummation of a qualified initial public offering and will not apply to any such offering.

Tag Along/Drag Along Proceeds

If the tag along/drag along provisions apply to a sale of our capital stock and the proceeds from the sale are equal to or greater than the original purchase price paid for common stock, $1.00 for series A preferred stock and series B preferred stock or $2.98 per share for series X preferred stock plus a 20% IRR and any accrued but unpaid dividends, then each stockholder selling stock will be entitled to receive per share a pro rata portion of all proceeds received from the sale. If the proceeds of a sale do not satisfy the requirements listed above, then the holders of our capital stock will be paid in a specified order and amount under the stockholders agreement. In the event the net proceeds are not sufficient to cover the original amounts paid for our common stock, the remaining net proceeds will be distributed pro rata among the holders of our common stock. If payment is to be made in the form of securities, and the payment will cause substantial burden or expense on us, our Controlling Stockholder may pay the fair market value of the securities to the stockholders. This provision will expire upon the consummation of a qualified initial public offering and will not apply with respect to any such offering.

Anti-takeover Provisions

Delaware Anti-Takeover Law

We are subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination and any entity or person affiliated with or controlling or controlled by the entity or person.

Certificate of Incorporation and Bylaw Provisions

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our certificate of incorporation and bylaws:

- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chairman of the board, our chief executive officer, the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors or holders of shares entitled to cast not less than 30% of the votes at the meeting; and
- provide that stockholders will be permitted to amend our bylaws only upon receiving at least a majority of the votes entitled to be cast by holders of all outstanding shares then entitled to vote generally in the election of directors, voting together as a single class.

Transfer agent and registrar

The transfer agent and registrar for our common stock is .

Listing

We intend to apply to have our shares of common stock approved for listing on under the symbol " ."

DESCRIPTION OF INDEBTEDNESS

Senior Secured Credit Facility

On May 24, 2011, our wholly owned subsidiary, Chuy's Opco, Inc., entered into a $67.5 million senior credit facility with GCI Capital Markets LLC, as administrative agent and sole bookrunner, General Electric Capital Corporation, as syndication agent, and a syndicate of financial institutions and other entities with respect to a new senior secured credit facility. The senior secured credit facility provides for (a) a revolving credit facility, (b) a term A loan, (c) a delayed draw term B loan, and (d) an incremental term loan. Except for the incremental term loan, all borrowings under our senior secured credit facility bear interest at a variable rate based on the prime, federal funds or Libor rate plus an applicable margin based on our total leverage ratio. Interest is due at the end of each month if Chuy's Opco, Inc. has selected to pay interest based on the Index Rate or at the end of each Libor period if Chuy's Opco, Inc. has selected to pay interest based on the Libor rate. As of July 1, 2011, we had borrowings under only our term A loan and have elected a variable rate of interest based on Libor under our term A loan. Prior to that election, we paid a fixed rate of 10.0%. Following that election, our interest rate became 8.5%. As of July 1, 2012, provided our total leverage ratio falls below 2.0 to 1.0, our interest rate will be 7.0%.

The Revolving Credit Facility

The revolving credit facility allows Chuy's Opco, Inc. to borrow up to $5.0 million including a $500,000 sublimit for letters of credit. The unpaid balance of the revolving credit facility must be paid by May 24, 2016 or sooner if an event of default occurs thereunder. At June 26, 2011, there are no borrowings under the revolving credit facility.

Term A Loan

The term A loan is a $52.5 million term loan facility, maturing in May 2016. Quarterly principal payments of $131,250 commence on December 31, 2011 with the entire unpaid balance due at maturity on May 24, 2016 or sooner if an event of default occurs thereunder.

Delayed Draw Term B Loan

The delayed draw term B loan is a $10.0 million term loan facility, which may be drawn upon after 30 days notice to the lenders prior to May 24, 2013. The entire unpaid balance of the delayed draw term B loan will be due on May 24, 2016 or sooner if an event of default occurs thereunder. At June 26, 2011, there are no delayed draw term B loans.

Incremental Term Loan

Chuy's Opco, Inc. may request up to four incremental term loans of amounts of not more than $5.0 million, and in an increment of $5.0 million in excess thereof, but not to exceed $20.0 million in the aggregate for all such incremented term loans, which may be drawn upon after 30 days written notice to the agent and any lender agreeing to fund an incremental loan. In the event that any lenders fund any of the incremental term loans, the terms and provisions of each incremental term loan, including the interest rate, shall be determined by Chuy's Opco, Inc. and the lenders, but in no event shall the terms and provisions of the applicable incremental term loan be more favorable to any lender providing any portion of such incremental term loan than the terms and provisions of the loans provided under the revolving credit facility, the term A loan and the delayed draw B loan. At June 26, 2011, there are no incremental term loans or requests for such loans.

Other Terms of Senior Secured Credit Facility

The senior secured credit facility is (i) jointly and severally guaranteed by us and each of our subsidiaries and any future subsidiaries that execute the senior secured credit facility as a guarantor and (ii) secured by a first priority lien on substantially all of our and our subsidiaries' assets excluding any lease, license, contract or agreement in which a grant of a lien is prohibited.

Our senior secured credit facility requires us to comply with certain financial tests, including:

- a maximum capital expenditures limitation per year, limiting our and our subsidiaries, on a consolidated basis, ability to make capital expenditures in an aggregate amount in excess of $18.5 million in 2011, $21.7 million in 2012, $23.8 million in 2013, $26.3 in 2014, $26.3 million in 2015 and $13.2 million in 2016; provided, however, that up to 50% of any unutilized portion of such capital expenditures, may be utilized in the immediately succeeding year;
- a minimum fixed charge coverage ratio, requiring our subsidiaries and us to have, on a consolidated basis, a minimum fixed charge coverage ratio for the four quarters then ended June 30, 2011 of not less than 1.90:1.00, which ratio varies from 1.90:1.00 to 1.55:1.00 over the term of the loan;
- A maximum total leverage ratio, requiring our subsidiaries and us, on a consolidated basis, to have a maximum total leverage ratio for the four quarters then ended of not more than 4.00:1.00 on June 30, 2011, which ratio varies from 4.00:1.00 to 2.25:1.00 over the term of the loan and
- A maximum lease adjusted leverage ratio, requiring our subsidiaries and us, on a consolidated basis, to have a lease adjusted leverage ratio for the four quarters then ended on June 30, 2011 of not more than 5.50:1.00, which ratio varies from 5.50:1.00 to 4.25:1.00 over the term of the loan.

In addition, our senior secured credit facility contains negative covenants limiting, among other things, mergers and acquisitions; investments, loans and advances; employee loans and affiliate transactions; changes to capital structure and the business; additional guaranteed indebtedness, additional liens; the declaration or payment of dividends, except subsidiaries may declare and pay a dividend to us; and the sale of stock and assets. Our senior secured credit facility contains customary events of default, including payment defaults, breaches of representations and warranties, covenant defaults, defaults under other material debt, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the senior secured credit facility to be in full force and effect, and a change of control of our business.

Our senior secured credit facility requires that if we issue stock in an initial public offering, we will have to make a mandatory prepayment under our term A loan in the amount sufficient to reduce our total leverage ratio (as defined in our new senior secured credit facility) to 2.00:1.00 and to pay the Libor funding breakage costs.

We used the following amounts of the net proceeds from our new senior secured credit facility as follows:

- approximately $20.8 million to repay all outstanding loans and accrued and unpaid interest, servicing fees, commitment fees and letter of credit fees under our credit facility with Wells Fargo Capital Finance, Inc.;
- approximately $10.1 million to repay the outstanding principal, interest and expenses under our credit facility with HBK Investments L.P.;
- approximately $1.6 million to pay the expenses of the lenders; and
- approximately $20.0 million to pay a dividend of $19.0 million to our preferred stockholders and other special bonus payments to members of Chuy's Opco, Inc.'s management.

As of , 2011, approximately $ million principal amount of loans were outstanding under our existing senior secured credit facility.

Note Payable to Founders

In conjunction with our acquisition by Goode Partners LLC, Chuy's Opco, Inc. entered into a promissory note in the amount of $1.3 million in favor of Three Star Management, Ltd. The note bears interest at 15.00% per annum and requires principal and interest payments of $77,778 per month commencing on September 1, 2009 through maturity in November 2011, with initial payments allocated to accrued and unpaid interest.

Former Credit Facilities

In 2006, Chuy's Opco, Inc. entered into a credit agreement with each of Wells Fargo Capital Finance, Inc. and HBK Investments L.P. as administrative agents to, among other things, finance the acquisition of the restaurants owned by Michael Young and John Zapp, pay the related fees and expenses of the acquisition and provide funds for the operation of Chuy's Opco, Inc. These loans were repaid in their entirety using the proceeds from our new senior secured credit facility.

Wells Fargo Credit Facility

Our wholly owned subsidiary and its subsidiaries entered into two term loans, term loan A and a new unit term loan, each in the amount of $5.0 million. At Chuy's Opco, Inc.'s request, and if certain requirements were met, the new unit term loan could be increased by up to $10.0 million. The term loan A bore interest at a variable rate based on the prime rate or the Libor rate plus an applicable margin. Our interest rate under the term loan A at March 27, 2011 was 8.0%. Principal payments of $62,500 and interest payments were due monthly under our term A loan and all unpaid principal and accrued and unpaid interest was due at maturity in November 2011. The new unit term loan bore interest at a variable rate based on the prime rate or the Libor rate plus an applicable margin. Our interest rate under the new unit term loan at March 27, 2011 was 8.75%. Interest payments under the new unit term loan were required to be paid monthly and all unpaid principal and accrued and unpaid interest was due at maturity in November 2011. The term loan A and the new unit term loan required the maintenance of a minimum EBITDA, a minimum fixed charge coverage ratio, a maximum leverage ratio and capital expenditure limitations and were guaranteed by us.

Under the same credit facility, our wholly owned subsidiary, Chuy's Opco, Inc., and its subsidiaries entered into a revolving line of credit that provided for borrowings and letters of credit of up to $5.0 million through maturity in November 2011. Interest was payable monthly at the Libor rate plus 3.0%. On March 27, 2011, our interest rate was 8.0%. The revolving line of credit required the maintenance of a minimum EBITDA, a minimum fixed charge coverage ratio, a maximum leverage ratio and capital expenditure limitations and was guaranteed by us. Available borrowing capacity on the revolving line of credit on March 27, 2011 was $1.5 million.

HBK Credit Facility

Our wholly owned subsidiary, Chuy's Opco, Inc., and each of its subsidiaries entered into a $10.0 million term loan facility with HBK Investments L.P. as administrative agent. This term loan bore interest at a variable rate based on the prime, federal funds or Libor rate plus an applicable margin. On December 26, 2010, our interest rate was 14%. Interest was due monthly, with all unpaid principal and accrued and unpaid interest due at maturity in November 2011. This loan required the maintenance of a minimum EBITDA, a minimum fixed charge coverage ratio, a maximum leverage ratio and a maximum of capital expenditures. It was secured by a second lien on substantially all of our assets and was guaranteed by us.

Other Financing Information

As of March 27, 2011, we had no financing transactions, arrangements or other relationships with any unconsolidated entities or related parties except with entities controlled by our founders Michael Young and John Zapp. Additionally, we had no financing arrangements involving synthetic leases or trading activities involving commodity contracts.

In the longer term, we will explore other options to raise capital, including but not limited to, renegotiating our senior credit facilities, public or private equity or other debt financing.

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of shares of common stock in the public market after the restrictions lapse could adversely affect the prevailing market price for our shares of common stock as well as our ability to raise equity capital in the future.

Based on the number of shares of common stock outstanding as of , 2011, upon completion of this offering, shares of common stock will be outstanding, assuming no exercise of options. Only the shares sold in this offering will be freely tradable unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. Except as set forth below, the remaining shares of common stock outstanding after this offering will be "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be subject to lock-up agreements. These remaining shares will generally become available for sale in the public market as follows:

- no restricted shares will be eligible for immediate sale upon the closing of this offering;
- shares will be eligible for sale after 90 days from the date of this prospectus;
- shares will be eligible for sale upon expiration of the lock-up agreements 181 days after the date of this prospectus, assuming no extension pursuant to the lock-up agreements; and
- the remainder of the restricted shares will be eligible for sale from time to time thereafter upon expiration of their respective one-year holding periods, subject to any volume limitations applicable to their holders, but could be sold earlier if the holders exercise any available registration rights.

Rule 144

In general, under Rule 144 as currently in effect, a person or persons who is an affiliate, or whose shares are aggregated and who owns shares that were acquired from the issuer or an affiliate at least six months ago, would be entitled to sell, within any three-month period, a number of shares that does not exceed the greater of (i) 1% of our then outstanding common shares, which would be approximately common shares immediately after this offering, or (ii) an amount equal to the average weekly reported volume of trading in our common shares on all national securities exchanges and/or reported through the automated quotation system of registered securities associations during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC. Sales in reliance on Rule 144 are also subject to other requirements regarding the manner of sale, notice and availability of current public information about us.

A person or persons whose common shares are aggregated, and who is not deemed to have been one of our affiliates at any time during the 90 days immediately preceding the sale, may sell restricted securities in reliance on Rule 144(b)(1) without regard to the limitations described above, subject to our compliance with Exchange Act reporting obligations for at least three months before the sale, and provided that six months have expired since the date on which the same restricted securities were acquired from us or one of our affiliates, and provided further that such sales comply with the current public information provision of Rule 144 (until the securities have been held for one year). As defined in Rule 144, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that same issuer.

Rule 701

Subject to certain limitations on the aggregate offering price of a transaction and other conditions, Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are

subject to lock-up agreements as described below and under “Underwriting” and will become eligible for sale upon the expiration of the restrictions set forth in those agreements. We will file registration statements on Form S-8 under the Securities Act to register common stock issuable under our equity incentive plans.

Lock-up agreements

We, our directors and executive officers, and substantially all of our stockholders have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which we and each of these persons or entities, with limited exceptions, for a period of 180 days after the date of the final prospectus, may not, without the prior written consent of the underwriters, (1) offer, pledge, announce the intention to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any of our common shares (including, without limitation, common shares which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common shares or such other securities, in cash or otherwise. These lock-up restrictions may be extended in specified circumstances and are subject to exceptions specified in the lock-up agreements. See “Underwriting.”

Registration Rights

Upon the closing of this offering, the holders of shares of common stock will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up arrangement described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act (except for shares held by affiliates) immediately upon the effectiveness of this registration. Any sales of securities by these stockholders could adversely affect the trading price of our shares of common stock. See “Description of Capital Stock—Registration rights.”

Equity Incentive Plan

We intend to file with the SEC registration statements under the Securities Act covering the shares of common stock subject to outstanding stock options granted under our equity incentive plans. The registration statements are expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under the registration statements will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations applicable to our affiliates and the lock-up agreements described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS

General

The following is a discussion of the material U.S. federal income tax consequences of the acquisition, ownership, and disposition of our common stock by a non-U.S. holder, as defined below, that acquires our common stock pursuant to this offering. This discussion assumes that a non-U.S. holder will hold our common stock issued pursuant to this offering as a capital asset within the meaning of Section 1221 of the Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular investor in light of the investor's individual circumstances. In addition, this discussion does not address (i) U.S. federal non-income tax laws, such as gift or estate tax laws, (ii) state, local or non-U.S. tax consequences, (iii) the special tax rules that may apply to certain investors, including, without limitation, banks, insurance companies, financial institutions, controlled foreign corporations, passive foreign investment companies, broker-dealers, grantor trusts, personal holding companies, taxpayers who have elected mark-to-market accounting, tax-exempt entities, regulated investment companies, real estate investment trusts, a partnership or other entity or arrangement classified as a partnership for United States federal income tax purposes or other pass-through entities, or an investor in such entities or arrangements, or U.S. expatriates or former long-term residents of the United States, (iv) the special tax rules that may apply to an investor that acquires, holds, or disposes of our common stock as part of a straddle, hedge, constructive sale, conversion or other integrated transaction, or (v) the impact, if any, of the alternative minimum tax.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable U.S. Treasury Regulations promulgated thereunder, judicial opinions, and published rulings of the Internal Revenue Service, or the IRS, all as in effect on the date of this prospectus and all of which are subject to differing interpretations or change, possibly with retroactive effect. We have not sought, and will not seek, any ruling from the IRS or any opinion of counsel with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

As used in this discussion, the term "U.S. person" means a person that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity taxed as a corporation) created or organized (or treated as created or organized) in the United States or under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (B) it has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person. As used in this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock (other than a partnership or other entity treated as a partnership or as a disregarded entity for U.S. federal income tax purposes) that is not a U.S. person.

The tax treatment of a partnership and each partner thereof will generally depend upon the status and activities of the partnership and such partner. A holder that is treated as a partnership for U.S. federal income tax purposes or a partner in such partnership should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the acquisition, ownership and disposition of our common stock.

THIS DISCUSSION IS ONLY A SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL ESTATE AND GIFT TAX LAWS, AND ANY APPLICABLE TAX TREATY.

Income Tax Consequences of an Investment in Common Stock

Distributions on Common Stock

If we pay cash or distribute property to holders of shares of common stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the holder's adjusted tax basis in our common stock. Any remaining excess will be treated as gain from the sale or exchange of the common stock and will be treated as described under "—Gain or Loss on Sale, Exchange or Other Taxable Disposition of Common Stock" below.

Dividends paid to a non-U.S. holder that are not effectively connected with the non-U.S. holder's conduct of a trade or business in the United States generally will be subject to withholding of U.S. federal income tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. A non-U.S. holder that wishes to claim the benefit of an applicable tax treaty withholding rate generally will be required to (i) complete IRS Form W-8BEN (or other applicable form) and certify under penalties of perjury that such holder is not a U.S. person and is eligible for the benefits of the applicable tax treaty or (ii) if our common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury Regulations. These forms may need to be periodically updated.

A non-U.S. holder eligible for a reduced rate of withholding of U.S. federal income tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty (including, without limitation, the need to obtain a U.S. taxpayer identification number).

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States, and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States, are subject to U.S. federal income tax on a net income basis at the U.S. federal income tax rates generally applicable to a U.S. holder and are not subject to withholding of U.S. federal income tax, provided that the non-U.S. holder establishes an exemption from such withholding by complying with certain certification and disclosure requirements. Any such effectively connected dividends (and, if required, dividends attributable to a U.S. permanent establishment or fixed base) received by a non-U.S. holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty.

Gain or Loss on Sale, Exchange or Other Taxable Disposition of Common Stock

Any gain recognized by a non-U.S. holder on a sale or other taxable disposition of our common stock generally will not be subject to U.S. federal income tax, unless:

(i) the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base of the non-U.S. holder),

(ii) the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, or

(iii) we are or have been a United States real property holding corporation, or a USRPHC, for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held the common stock, and, in the case where the shares of our common stock are regularly traded on an established securities market, the non-U.S. holder holds or held (at any time during the shorter of the five-year period ending on the date of disposition or the non-U.S. holder's holding period) more than 5% of our common stock. A corporation generally is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We do not believe that we currently are a USRPHC, and do not expect to become a USRPHC.

Any gain recognized by a non-U.S. holder that is described in clause (i) or (iii) of the preceding paragraph generally will be subject to tax at the U.S. federal income tax rates generally applicable to a U.S. person, and the non-U.S. holder will generally be required to file a U.S. tax return. Such Non-U.S. holders are urged to consult their tax advisors regarding the possible application of these rules. Any gain of a corporate non-U.S. holder that is described in clause (i) above may also be subject to an additional branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder that is described in clause (ii) of such paragraph generally will be subject to a flat 30% tax (or a lower applicable tax treaty rate) on the U.S. source capital gain derived from the disposition, which may be offset by U.S. source capital losses during the taxable year of the disposition.

Information Reporting and Backup Withholding

We generally must report annually to the IRS and to each non-U.S. holder of our common stock the amount of dividends paid to such holder on our common stock and the tax, if any, withheld with respect to those dividends. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder is a resident under the provisions of an applicable income tax treaty or agreement. Information reporting also is generally required with respect to the proceeds from sales and other dispositions of our common stock to or through the U.S. office (and in certain cases, the foreign office) of a broker.

Under some circumstances, U.S. Treasury Regulations require backup withholding of U.S. federal income tax, currently at a rate of 28%, on reportable payments with respect to our common stock. A non-U.S. holder generally may eliminate the requirement for information reporting (other than in respect to dividends, as described above) and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that a holder is a U.S. person.

Backup withholding is not a tax. Rather, the amount of any backup withholding will be allowed as a credit against a non-U.S. holder's U.S. federal income tax liability, if any, and may entitle such non-U.S. holder to a refund, provided that certain required information is timely furnished to the IRS. Non-U.S. holders should consult their own tax advisors regarding the application of backup withholding and the availability of and procedure for obtaining an exemption from backup withholding in their particular circumstances.

Recent Legislation

The recently enacted Hiring Incentives to Restore Employment Act (the "HIRE Act"), which was signed into law on March 18, 2010, modifies some of the rules described above, including with respect to certification requirements and information reporting, for certain stock held through a "foreign financial institution" or "non-financial foreign entity." In the event of non-compliance with those revised requirements, a 30% U.S. withholding tax could be imposed on payments of dividends and sale proceeds in respect of our Common Stock made after December 31, 2012. Congress delegated broad authority to the U.S. Treasury Department to promulgate regulations to implement the new withholding and reporting regime. It cannot be predicted whether or how any regulations promulgated by the U.S. Treasury Department pursuant to this broad delegation of regulatory authority will affect holders of our stock. Prospective investors are urged to consult their own tax advisors regarding the HIRE Act and legislative proposals that may be relevant to their investment in our stock.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement to be dated on or about , 2011, between us, the selling stockholders and Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated as underwriters, we and the selling stockholders have agreed to sell to the underwriters and the underwriters have severally agreed to purchase from us and the selling shareholders, the number of shares of common stock indicated in the table below:

UNDERWRITER	NUMBER OF SHARES
Jefferies & Company, Inc.	$
Robert W. Baird & Co. Incorporated	
Total	$

Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated are acting as joint book-running managers of this offering and as representatives of the underwriters named above.

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We and the selling stockholders have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that they currently intend to make a market in our common stock. However, the underwriters are not obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for our common stock.

The underwriters are offering the common stock subject to their acceptance of the stock from us and the selling stockholders and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and certain dealers may reallow, a discount from the concession not in excess of $ per share to certain brokers and dealers. After the offering, the initial public offering price, concession and reallowance to dealers may be reduced by the representative. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the initial public offering price, the underwriting discounts and commissions that we and the selling stockholders are to pay the underwriters and the proceeds, before expenses, to us and the selling stockholders in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	PER SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES
Public offering price	$	$	$	$
Underwriting discounts and commissions paid by us	$	$	$	$
Underwriting discounts and commissions paid by the selling stockholders	$	$	$	$
Proceeds to us, before expenses	$	$	$	$
Proceeds to the selling stockholders, before expenses	$	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $. We are paying all such expenses of this offering. The selling stockholders will not pay any expenses of this offering, other than underwriting discounts and commissions.

Determination of Offering Price

Prior to the offering, there has not been a public market for our common stock. Consequently, the initial public offering price for our common stock will be determined by negotiations between us and the underwriters. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to the offering or that an active trading market for the common stock will develop and continue after the offering.

Listing

We intend to apply to have our common stock approved for listing on under the trading symbol " ."

Option to Purchase Additional Shares

The selling stockholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional shares from the selling stockholders at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more shares than the total number set forth in the table above.

No Sales of Similar Securities

We, our officers, directors and holders of substantially all our outstanding capital stock and other securities have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-l(h) under the Securities Exchange Act of 1934, as amended; or

- otherwise dispose of any common stock, options or warrants to acquire common stock, or securities exchangeable or exercisable for or convertible into common stock currently or hereafter owned either of record or beneficially; or
- publicly announce an intention to do any of the foregoing for a period of 180 days after the date of this prospectus without the prior written consent of Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated.

This restriction terminates after the close of trading of the common stock on and including the 180 days after the date of this prospectus. However, subject to certain exceptions, in the event that either:

- during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period;

then in either case the expiration of the 180-day restricted period will be extended until the expiration of the 18-day period beginning on the date of the issuance of an earnings release or the occurrence of the material news or event, as applicable, unless Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated waive, in writing, such an extension.

Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated may, in their sole discretion and at any time or from time to time before the termination of the 180-day period, without public notice, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement, providing consent to the sale of our stock prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, certain persons participating in the offering may engage in transactions, including overallotment, stabilizing bids, syndicate covering transactions or the imposition of penalty bids, which may have the effect of stabilizing or maintaining the market price of our common stock at a level above that which might otherwise prevail in the open market. Overallotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Establishing short sales positions may involve either “covered” short sales or “naked” short sales.

“Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market, as compared to the price at which they may purchase shares through the option to purchase additional shares.

“Naked” short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of our common stock. A syndicate covering transaction is the bid for or the purchase of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter’s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we, the selling stockholders nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to shares of common stock offered by this prospectus for sale to our directors, officers, employees, business associates and related persons. Reserved shares purchased by our directors and officers will be subject to the lock-up provisions described above. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase such reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of our common stock offered by this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"), in connection with sales of the directed shares.

Affiliations

The underwriter and certain of its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriter and certain of its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Company. The underwriters and certain of their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the shares shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offers contemplated in this prospectus will be deemed to have represented, warranted and agreed to and with each underwriter and us that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State, other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) to persons who are investment professionals falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 or in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Disclosure of the Securities and Exchange Commission’s Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

LEGAL MATTERS

Jones Day, Dallas, Texas, will pass upon the validity of our shares of common stock offered by this prospectus. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP.

EXPERTS

The consolidated financial statements included in this prospectus have been audited by McGladrey & Pullen, LLP, an independent registered public accounting firm, as stated in their report. Such financial statements have been included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to our shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. Some items are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, and copies of these materials may be obtained from those offices upon the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the SEC's website is www.sec.gov.

Upon completion of this offering, we will be required and we intend to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. To comply with these requirements, we will file periodic reports, proxy statements and other information with the SEC. In addition, we intend to make available on or through our Internet website *www.chuys.com* our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Chuy's Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Chuy's Holdings, Inc. and subsidiaries as of December 27, 2009 and December 26, 2010, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 26, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chuy's Holdings, Inc. and subsidiaries as of December 27, 2009 and December 26, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 26, 2010 in conformity with U.S. generally accepted accounting principles.

/s/ McGladrey & Pullen, LLP

Dallas, Texas
August 5, 2011

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
For Years Ended December 27, 2009 and December 26, 2010
(In thousands, except share and per share data)

ASSETS	**2009**	**2010**
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,062	$ 3,337
Accounts receivable	215	403
Note receivable	111	115
Lease incentives receivable	1,074	4,036
Inventories	306	413
Prepaid expenses and other current assets	911	954
Total current assets	4,679	9,258
Property and equipment, net	18,499	32,113
Other assets and intangible assets, net	1,017	1,302
Tradename	21,900	21,900
Goodwill	24,069	24,069
Total assets	$70,164	$88,642
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,660	$ 1,878
Accrued liabilities	4,388	5,018
Deferred tax liability	57	44
Deferred lease incentives	159	350
Current maturities of long-term debt	1,232	1,107
Total current liabilities	7,496	8,397
Deferred tax liability, less current portion	228	1,459
Accrued deferred rent	113	237
Deferred lease incentives, less current portion	1,725	7,956
Long-term debt, less current maturities	28,682	29,625
Total liabilities	38,244	47,674
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value; 32,601,462 shares authorized; issued and outstanding, 372,166 and 468,416 shares at December 27,2009 and December 26, 2010	4	5
Convertible preferred stock, $0.01 par value; 29,398,538 shares authorized; issued and outstanding, 27,722,222 and 29,398,538 shares at December 27, 2009 and December 26, 2010, liquidation preference of $27,722 and $33,339 at December 27, 2009 and December 26, 2010	277	294
Paid-in capital	30,205	35,944
Retained earnings	1,434	4,725
Total stockholders' equity	31,920	40,968
Total liabilities and stockholders' equity	$70,164	$88,642

See Notes to Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Income
For Years Ended December 28, 2008, December 27, 2009, December 26, 2010
(In thousands, except share and per share data)

	2008	2009	2010
Revenue	$ 51,868	$ 69,394	$ 94,908
Operating expenses:			
Cost of sales	15,833	20,120	28,096
Labor	14,956	21,186	30,394
Operating	6,587	8,558	11,822
Occupancy	3,248	4,314	5,654
General and administrative	6,342	4,617	5,293
Marketing	389	533	655
Restaurant pre-opening	867	1,673	1,959
Depreciation and amortization	785	1,549	2,732
Total costs and expenses	49,007	62,550	86,605
Income from operations	2,861	6,844	8,303
Interest expense	2,823	3,114	3,584
Income before income taxes	38	3,730	4,719
Income tax (benefit) expense	(113)	1,077	1,428
Net Income	$ 151	$ 2,653	$ 3,291
Net earnings (loss) per share - basic	$ 0.01	$ 0.09	$ (6.23)
Net earnings (loss) per share - diluted	$ 0.01	$ 0.09	$ (6.23)
Weighted-average shares outstanding - basic	280,000	348,178	373,484
Weighted-average shares outstanding - diluted	28,847,589	29,346,847	373,484

See Notes to Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
For Years Ended December 28, 2008, December 27, 2009, December 26, 2010
(In thousands, except share data)

	COMMON STOCK		CONVERTIBLE PREFERRED STOCK			(ACCUMULATED DEFICIT)	
	SHARES	AMOUNT	SHARES	AMOUNT	PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balance, December 28, 2007	—	$ —	27,722,222	$ 277	$ 28,438	$ (1,370)	$ 27,345
Stock-based compensation	—	—	—	—	192	—	192
Sale of stock	280,000	3	—	—	277	—	280
Deferred compensation contributed by stockholders	—	—	—	—	722	—	722
Net income	—	—	—	—	—	151	151
Balance, December 28, 2008	280,000	3	27,722,222	277	29,629	(1,219)	28,690
Stock-based compensation	—	—	—	—	235	—	235
Sale of stock	92,166	1	—	—	199	—	200
Deferred compensation contributed by stockholders	—	—	—	—	142	—	142
Net income	—	—	—	—	—	2,653	2,653
Balance, December 27, 2009	372,166	4	27,722,222	277	30,205	1,434	31,920
Stock-based compensation		—		—	310	—	310
Sale of stock	96,250	1	1,676,316	17	5,333	—	5,351
Deferred compensation contributed by stockholders	—	—	—	—	96	—	96
Net income	—	—	—	—	—	3,291	3,291
Balance, December 26, 2010	**468,416**	**$ 5**	**29,398,538**	**$ 294**	**$ 35,944**	**$ 4,725**	**$ 40,968**

See Notes to Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For Years Ended December 28, 2008, December 27, 2009, December 26, 2010
(In thousands)

	2008	2009	2010
Cash flows from operating activities:			
Net income	$ 151	$ 2,653	$ 3,291
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	785	1,549	2,732
Amortization of loan origination costs	179	188	188
Stock-based compensation	192	235	310
Deferred compensation contributed by stockholder	722	142	96
Loss on disposal of equipment	—	13	51
Accretion of deferred lease incentives	—	(44)	(241)
Deferred income taxes	(271)	882	1,218
Changes in operating assets and liabilities:			
Accounts receivable	(212)	135	(188)
Lease incentives receivable	—	(1,074)	(2,962)
Lease origination costs	(159)	(178)	(227)
Inventories	(59)	(100)	(107)
Prepaid expenses and other current assets	(203)	(312)	(43)
Accounts payable	1,073	152	217
Accrued liabilities	992	850	754
Deferred lease incentives	—	1,928	6,663
Deferred compensation	(79)	(727)	—
Net cash provided by operating activities	3,111	6,292	11,752
Cash flows from investing activities:			
Acquisition of property and equipment	(6,029)	(11,613)	(16,370)
Acquisition of other assets	(157)	(183)	(272)
Net activity on note receivable	(101)	(10)	(4)
Payment of contingent purchase price	—	(3,782)	—
Net cash used in investing activities	(6,287)	(15,588)	(16,646)
Cash flows from financing activities:			
Payments on long-term debt	(1,750)	(750)	(1,232)
Borrowings on long-term debt	5,400	9,300	1,300
Capital contributions	280	200	5,351
Net borrowings under revolving line of credit	200	1,000	750
Loan origination costs	(100)	—	—
Net cash provided by financing activities	4,030	9,750	6,169
Net increase in cash and cash equivalents	854	454	1,275
Cash and cash equivalents, beginning of year	754	1,608	2,062
Cash and cash equivalents, end of year	$ 1,608	$ 2,062	$ 3,337
Supplemental cash flow disclosures:			
Interest paid	$ 2,134	$ 2,825	$ 3,700
Income taxes paid	$ 151	$ 147	$ 197

See Notes to Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Tabular amounts in thousands, except share and per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Chuy's Holdings, Inc. (the "Company"), a Delaware corporation, through its wholly owned subsidiary, Chuy's Opco, Inc., owns and operates restaurants in Texas and the Southeastern United States. All of the Company's restaurants operate under the name Chuy's. The Company had 17 and 23 restaurants, as of December 27, 2009 and December 26, 2010, respectively. The Company was contractually committed to lease five restaurants that had not yet opened as of December 26, 2010.

Chuy's was founded in Austin, Texas in 1982 by Michael Young and John Zapp, (the "Founders") and, prior to 2006, operated as Chuy's Comida Deluxe, Inc. The Company was incorporated and acquired Chuy's in November 2006. Goode Chuy's Holdings, LLC, an affiliate of Goode Partners LLC (the "Sponsor"), is the controlling stockholder.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Fiscal Year

The Company utilizes a 52- or 53-week fiscal year that ends on the last Sunday of the calendar year. The fiscal years ended December 28, 2008, December 27, 2009 and December 26, 2010 each had 52 weeks.

Accounting Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. These estimates are based on historical experience and various assumptions believed to be reasonable under the circumstances at the time. Significant items subject to such estimates include property and equipment, goodwill and indefinite life intangibles. Actual results could differ from estimates.

Cash and Cash Equivalents

The Company considers all cash and short-term investments with original maturities of three months or less as cash equivalents. Amounts receivable from credit card processors are considered cash equivalents because they are both short in term and highly liquid in nature, and are typically converted to cash within three business days of the sales transaction.

Lease Incentives Receivable

Lease incentives receivable consist of receivables from landlords provided for under the lease agreements to finance leasehold improvements. Lease incentives are accreted on a straight-line basis over the life of the lease.

Inventories

Inventories consist of food, beverage, and merchandise and are stated at the lower of cost (first-in, first-out method) or market.

Restaurant Pre-opening Costs

Restaurant pre-opening costs consist primarily of manager salaries, relocation costs, supplies, recruiting expenses, travel and lodging, pre-opening activities, employee payroll and related training costs for employees at the new location. The Company expenses such pre-opening costs as incurred. Pre-opening costs also include rent recorded during the period between date of possession and the restaurant opening date.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Equipment consists primarily of restaurant equipment, furniture and fixtures. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset. Expenditures for major additions and improvements are capitalized. Leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the lease term, including option periods that are reasonably assured of renewal, or the estimated useful life of the asset.

The estimated useful lives of assets are as follows:

Leasehold improvements	5 to 20 years
Furniture, fixtures, and equipment	3 to 7 years

Leases

The Company leases land and/or buildings for its corporate office and all of its restaurants under various long-term operating lease agreements. The Company accounts for leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, *Leases*. The Company uses a lease life that begins on the date that the Company takes possession under the lease, including the pre-opening period during construction, when in many cases the Company is not making rent payments (rent holiday).

Certain of the Company's operating leases contain predetermined fixed escalations of the minimum rent during the original term of the lease. For these leases and those with a rent holiday, the Company recognizes the related rent expense on a straight-line basis over the lease term and records the difference between the amounts charged to operations and amounts paid, as accrued deferred rent.

In addition, certain of the Company's operating leases contain clauses that provide for additional contingent rent based on a percentage of sales greater than certain specified target amounts. The Company recognizes contingent rent expense prior to the achievement of the specified target that triggers the contingent rent, provided achievement of the target is considered probable.

Leasehold improvements financed by the landlord through lease incentive allowances are capitalized with the lease incentive allowances recorded as deferred lease incentives. Deferred lease incentives are accreted on a straight-line basis over the lesser of the life of the asset or the lease term, including option periods which are reasonably assured of renewal (the same useful life used to determine the amortization of leasehold improvements) and are recorded as a reduction of occupancy expense.

Other Assets and Intangible Assets

Other assets and intangible assets include liquor licenses, smallwares, lease acquisition costs and loan origination costs, and are stated at cost, less amortization. At the opening of a new restaurant, the initial purchase of smallwares is recorded as other assets. This balance is not amortized. Subsequent purchases of smallwares are expensed as incurred.

Goodwill

Goodwill represents the excess of cost over the fair value of assets of the businesses acquired. Goodwill is not amortized, but is subject to annual impairment tests in accordance to FASB ASC 350*, Intangibles – Goodwill and Other.* The Company performs tests to assess potential impairments on the first day of the fourth quarter or during the year if an event or other circumstance indicates that goodwill may be impaired. The assessment is performed at the operating unit level, which is the individual restaurant. In the first step of the review process, the estimated fair value of the restaurant is compared to its carrying value, including goodwill. If the estimated fair value of the restaurant exceeds its carrying amount, no further analysis is needed. If the estimated fair value of the restaurant is less than its carrying amount, the second step of the process requires the calculation of the implied fair value of goodwill by allocating the estimated fair value of the restaurant to all the assets and liabilities of the restaurant as if it had been acquired in a business combination. If the carrying value of the goodwill associated with the restaurant exceeds the implied fair value of the goodwill, an impairment loss and a reduction in goodwill associated with the restaurant is recognized for that excess amount.

The valuation approach used to determine fair value is subject to key judgments and assumptions that are sensitive to change such as; revenue growth rates, operating margins, weighted average cost of capital and comparable company and acquisition market multiples. In estimating the fair value using the discounted cash flows or the capitalization of earnings method, the Company considers the period of time the restaurant has been open, the trend of the operations over such period, expectations of future sales growth and terminal value. Assumptions about important factors such as trend of future operations and sales growth are limited to those that are supportable based upon the plans for the restaurant and actual results at comparable restaurants. When developing these key judgments and assumptions, the Company considers economic, operational and market conditions that could impact the fair value. The judgments and assumptions used are consistent with what management believes hypothetical market participants would use.

Impairment of Long-lived Assets

The Company reviews long-lived assets, such as property and equipment and intangibles, subject to amortization, for impairment when events or circumstances indicate the carrying value of the assets may not be recoverable. In determining the recoverability of the asset value, an analysis is performed at the individual restaurant level and primarily includes an assessment of historical cash flows and other relevant factors and circumstances. Negative restaurant-level cash flow over the previous 12-month period in a comparable location (a restaurant that has been operating for more than 18 months) is considered a potential impairment indicator. In such situations, the Company evaluates future cash flow projections in conjunction with qualitative factors and future operating plans. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the restaurant to the estimated undiscounted cash flow expected to be generated by the restaurant. If the carrying amount of the restaurant exceeds the estimated future cash flow, an impairment charge is recognized by the amount by which the carrying amount exceeds the fair value.

The Company's impairment assessment process requires the use of estimates and assumptions regarding future cash flows and operating outcomes, which are based upon a significant degree of management judgment. The Company assesses the performance of restaurants and monitors the need for future impairment. Changes in economic environment, real estate markets, capital spending and overall operating performance could impact these estimates and result in future impairment charges.

Indefinite Life Intangibles

Intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized because there is no foreseeable limit to the cash flows generated by the intangible asset, and have no legal, contractual, regulatory, economic or competitive limiting factors.

The annual impairment evaluation for indefinite life intangible assets includes a comparison of the asset's carrying value to the asset's fair value. When the carrying value exceeds fair value, an impairment charge is recorded for the amount of the difference. The Company also annually evaluates intangible assets that are not being amortized to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is determined to have a finite useful life, the asset will be amortized prospectively over the estimated remaining useful life and accounted for in the same manner as intangible assets subject to amortization.

Estimated Fair Value of Financial Instruments

The Company has adopted FASB ASC 820, *Fair Value Measurements and Disclosures* the authoritative guidance on fair value measurements and disclosures for financial assets and liabilities. This guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. Although the adoption of this guidance has not materially impacted its financial position and results of operations, the Company is now required to provide additional disclosures as part of its financial statements. The guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1—inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2—inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3—inputs are unobservable and reflect our own assumptions.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable at December 27, 2009 and December 26, 2010, approximate their fair value due to the short-term maturities of these financial instruments. The carrying amount of the Company's variable rate long-term debt was $29,914,000 and $30,732,000 at December 27, 2009 and December 26, 2010, respectively. The fair value of the Company's variable rate long-term debt was $30,985,000 and $31,235,000 at December 27, 2009 and December 26, 2010, respectively, which was higher than carrying value due to an element of the long-term debt having an interest rate component that was higher than the current interest rate. The debt was retired in May 2011 at carrying value.

Loan Origination Costs

Loan origination costs are capitalized and amortized over the term of the related debt agreement as interest expense, using the effective interest method.

Revenue Recognition

Revenue from restaurant operations (food, beverage and alcohol sales) and merchandise sales are recognized upon payment by the customer at the time of sale. Revenues are reflected net of sales tax and certain discounts and allowances.

The Company records a liability upon the sale of gift cards and recognizes revenue upon redemption by the customer. Breakage is recognized on unredeemed gift cards based upon historical redemption patterns when the Company determines the likelihood of redemption of the gift card by the customer is remote and there is no legal obligation to remit the value of unredeemed gift cards to the relevant jurisdiction. The Company recorded gift card breakage of immaterial amounts for the years ended December 28, 2008, December 27, 2009 and December 26, 2010. These amounts were reported within the General and administrative caption of the consolidated statements of income.

Marketing

The Company expenses the printing of menus and other promotional materials as incurred, the cost of community service and sponsorship activities are expensed on the expected timing of those events. Advertising costs are minimal and are expensed as incurred. Marketing expense was $389,000, $533,000 and $655,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively.

Stock-Based Compensation

The Company maintains an equity incentive plan under which it grants non-qualified stock options to purchase common stock. Options are granted with exercise prices equal to at least the fair value of the Company's common stock at the date of grant. The fair value of stock options at the date of grant is recognized on a straight-line basis as compensation expense over the period that an employee provides service in exchange for the award, typically the vesting period. These options vest and become exercisable once the time-based vesting period lapses. Under the employment agreement with the Chief Executive Officer, all of his options would immediately vest upon a change in control.

Income Tax Matters

Income tax provisions are comprised of federal and state taxes currently due, plus deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized when management considers the realization of those assets in future periods to be more likely than not. Future taxable income, adjustments in temporary differences, available carryforward periods and changes in tax laws could affect these estimates.

Earnings per Share

Basic earnings per share is computed using the two-class method by dividing net income available to common stockholders less undistributed earnings to participating interest by the weighted-average number of shares of common stock outstanding during the reporting period. The diluted earnings per share calculations include the dilutive effect of convertible preferred stock outstanding and the weighted-average stock options outstanding.

Segment Reporting

As of December 26, 2010, the Company operated 23 Chuy's restaurants each as a single operating segment. The Company operates full-service, Mexican food restaurants, within the casual dining segment of the restaurant industry, providing similar products to similar customers. The food is prepared and served in the same manner at all of the Company's locations. The restaurants also possess similar pricing structures, resulting in similar long-term expected financial performance characteristics. FASB ASC 280*, Segment Reporting* allows the aggregation of operating segments into a reporting segment if the businesses are similar. Under that guidance, the Company considers the restaurants as similar and has aggregated them into a single reportable segment.

Revenue from customers is derived principally from food and beverage sales and the Company does not rely on any major customers as a source of revenue.

Recent Accounting Pronouncements

The FASB updated ASC 810, *Consolidation*, with amendments to improve financial reporting by enterprises involved with variable interest entities. These amendments require an enterprise to perform an analysis to determine whether the enterprise's variable interests give it a controlling financial interest in a variable interest entity. The effective date for this guidance was the beginning of a reporting entity's first annual reporting period that began after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. The Company has adopted this guidance and it had no effect on its consolidated financial statements.

The FASB also updated ASC 855, *Subsequent Events*, to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This guidance was effective for interim and annual financial periods ending after June 15, 2009. Adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

In April 2011, the FASB issued new guidance to achieve common fair value measurement and disclosure requirements. This new guidance amends current fair value measurement and disclosure guidance to include increased transparency around valuation inputs and investment categorization. The new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. The Company does not believe the adoption of the new guidance will have an impact on its consolidated financial position, results of operations or cash flows.

2. EARNINGS PER SHARE

The number of shares and earnings per share data ("EPS") for all periods presented are based on the historical weighted-average shares of common stock outstanding. EPS is computed using the two-class method. The two-class method determines EPS for common stock and participating securities according to dividends and dividend equivalents and their respective participation rights in undistributed earnings. Basic EPS of common stock is computed by dividing net income (loss), less the undistributed earnings allocated to participating interest, by the weighted-average number of shares of common stock outstanding for the period. Due to the issuance of the series X preferred stock in 2010, the basic EPS of common stock is computed by dividing net income (loss), less undistributed earnings allocated to participating interest and less the original investment of $5.0 million in series X preferred stock and annualized 20.0% preferred return, by the weighted-average number of shares of common stock outstanding for the period. The original investment in series X preferred stock and the 20.0% preferred return must be paid to series X preferred stock holders prior to any payment of dividends to the common stockholders.

Diluted EPS of common stock is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential shares of common stock outstanding during the period using the treasury stock method for dilutive options and warrants and the if converted method for dilutive convertible preferred stock. The numerator is net income less the preferred return on the series X preferred stock. The series X preferred stock is anti-dilutive. Options to purchase 138,000, 138,000 and 0 shares of common stock, for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively, were outstanding but not included in the computation of diluted net EPS because their inclusion would have an anti-dilutive effect.

The computation of basic and diluted earnings per share is as follows:

	2008	2009	2010
BASIC			
Numerator:			
Net income	$ 151	$ 2,653	$ 3,291
Less preferred return on series X preferred stock	—	—	5,617
Less undistributed earnings allocated to participating interests	149	2,620	—
Net income (loss) available to common stockholders	$ 2	$ 33	$ (2,326)
Denominator:			
Weighted-average shares outstanding	280,000	348,178	373,484
Basic earnings (loss) per share	$ 0.01	$ 0.09	$ (6.23)
DILUTED			
Numerator:			
Net income	$ 151	$ 2,653	$ 3,291
Less preferred return on series X preferred stock	—	—	5,617
Net income (loss) available to common stockholders	$ 151	$ 2,653	$ (2,326)
Denominator:			
Weighted-average shares outstanding	280,000	348,178	373,484
Dilutive effect of preferred stock	27,722,222	27,722,222	—
Dilutive effect of stock options	845,366	1,276,447	—
Weighted-average diluted shares	28,847,588	29,346,847	373,484
Diluted earnings (loss) per share	$ 0.01	$ 0.09	$ (6.23)

3. CONVERTIBLE PREFERRED STOCK

As of December 26, 2010, the Company had issued three series of convertible preferred stock. A schedule of convertible preferred stock is as follows:

	AUTHORIZED, ISSUED AND OUTSTANDING	DATE OF ISSUANCE	CONVERSION TO COMMON STOCK
Series A, par value $.01	25,000,000	November 2006	1:1
Series B, par value $.01	2,722,222	November 2006	1:1
Series X, par value $.01	1,676,316	May 2010	1:1
Total convertible preferred stock	29,398,538		

There are no mandatory dividends on the convertible preferred stock.

Each share of preferred stock is convertible at the option of the holder, at any time, without the payment of additional consideration into one share of common stock.

Immediately before any underwritten offering pursuant to an effective registration statement resulting in at least $25.0 million in net proceeds to the Company, each share of convertible preferred stock will be converted on a mandatory basis into one share of common stock. However, in the event that the fair market value of the series X convertible preferred stock, as determined by the board of directors of the Company, is less than the required liquidation preference, the Company will redeem those shares by making cash payments to those stockholders to satisfy the liquidation preference.

In the event of liquidation, stockholders would receive distributions in the following sequence:

(a) Series X preferred stockholders would receive their original investment plus an annualized return of 20%, which would have been $617,000 at December 26, 2010, then
(b) Series A preferred stockholders would receive their original investment, then,
(c) Series B preferred stockholders would receive their original investment, then,
(d) Common stockholders would then participate with preferred stockholders on an as-converted basis to receive any remaining distributions.

4. PROPERTY AND EQUIPMENT

The major classes of property and equipment at December 27, 2009 and December 26, 2010 are summarized as follows:

	2009	2010
Buildings and leasehold improvements	$11,437	$20,703
Furniture, fixtures and equipment	8,511	13,645
Construction in progress	1,229	3,055
	21,177	37,403
Less accumulated depreciation and amortization	(2,678)	(5,290)
Total property and equipment, net	$18,499	$32,113

Depreciation and amortization expense was $695,000, $1,535,000 and $2,706,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

The major classes of goodwill and other intangibles along with related accumulated amortization at December 27, 2009 and December 26, 2010 are summarized as follows:

	AVERAGE LIFE AT DECEMBER 26, 2010 (YEARS)	2009			2010		
		GROSS AMOUNT	ACCUMULATED AMORTIZATION	NET AMOUNT	GROSS AMOUNT	ACCUMULATED AMORTIZATION	NET AMOUNT
Other assets and intangible assets, net							
Liquor License		$ —	$ —	$ —	$ 35	$ —	$ 35
Smallwares		340	—	340	577	—	577
Loan origination cost	0.9	898	(553)	345	898	(741)	157
Lease acquisition cost	12.0	349	(17)	332	576	(43)	533
Total other assets and intangible assets, net		$ 1,587	(570)	1,017	$ 2,086	(784)	$ 1,302
Tradename		$ 21,900	$ —	$ 21,900	$ 21,900	$ —	$ 21,900
Goodwill		$ 24,069	$ —	$ 24,069	$ 24,069	$ —	$ 24,069

Amortization expense was $269,000, $202,000 and $214,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively.

The Company's estimated amortization expense for the following fiscal years is as follows:

	LOAN ORIGINATION COSTS	LEASE ACQUISITION COSTS	TOTAL
2011	$ 157	$ 38	$ 195
2012	—	42	$ 42
2013	—	42	$ 42
2014	—	42	$ 42
2015	—	42	$ 42
Thereafter	—	327	$ 327
Total	$ 157	$ 533	$ 690

6. LONG-TERM DEBT

Long-term debt at December 29, 2009 and December 26, 2010, consists of the following:

	2009	2010
Wells Fargo Term A Loan	$ 3,437	$ 2,687
Wells Fargo New Unit Term Loan	13,700	15,000
Wells Fargo Working capital revolving line of credit	1,500	2,250
HBK Term B Loan	10,000	10,000
Note payable-related party	1,277	795
	29,914	30,732
Less current maturities	(1,232)	(1,107)
Total long term debt, less current maturities	$28,682	$29,625

In November 2006, the Company, entered into a credit agreement with each of Wells Fargo Capital Finance, Inc. and HBK Investments, L.P. as administrative agents to, among other things, finance the acquisition of the restaurants owned by the Company's Founders, pay the related fees and expenses of the acquisition, and provide funds for the operation of the Company. The aforementioned credit facilities were paid off in May 2011 under the New Senior Secured Credit Facility as discussed below. Consequently, even though the aforementioned loans had maturity dates in 2011, the debt is classified as long-term.

Wells Fargo Credit Facility

Pursuant to the 2006 credit agreement, the Company entered into two term loans, Term A Loan in the amount of $5.0 million, and a New Unit Term Loan, in the amount of $15.0 million.

(a) The Term A Loan bore interest at a variable rate based on the prime rate or the London Interbank Offered Rate ("Libor") plus an applicable margin. On December 26, 2010, the Term A Loan consisted of two notes, one bearing interest at the base rate plus prime (8.25%) and one bearing interest of the Libor plus applicable margin (8.0%).

(b) The New Unit Term Loan bore interest at a variable rate based on the prime rate or the Libor plus an applicable margin. On December 26, 2010, the New Unit Term Loan bore interest at Libor plus an applicable margin (8.75%). In addition, the Company paid an annual commitment fee of 0.5% on the unused portion of the New Unit Term Loan.

(c) Under the same credit facility, the Company entered into a Working Capital Revolving Line of Credit, to provide for borrowings and letters of credit of up to $5.0 million through maturity in November 2011. The Working Capital Revolving Line of Credit bore interest at a variable rate based on the prime rate or the Libor plus an applicable margin. In addition, the Company paid an annual commitment fee of 0.5% on the

unused portion of the Working Capital Revolving Line of Credit. On December 26, 2010, the Working Capital Revolving Line of Credit consisted of two loans, one bearing the base rate plus applicable margin (8.25%) and the other line of credit bore Libor plus applicable margin (8.0%). The availability of the Working Capital Revolving Line of Credit was reduced by any borrowings and any outstanding letters of credit. The Company's availability on the Working Capital Revolving Line of Credit was $1,750,000 at December 26, 2010.

(d) The Company had outstanding letters of credit of $2.1 million and $1.0 million on December 27, 2009 and December 26, 2010, respectively, issued by the bank for which it was contingently liable.

HBK Credit Facility

The Company also entered into a $10.0 million Term B Loan facility with HBK Investments, L.P. as administrative agent. This note bore interest at the greater of the base rate plus applicable margin or Libor plus applicable margin. On December 26, 2010, the Term B Loan interest rate was the Libor plus applicable margin (14.0%).

Note Payable—Related Party

The unsecured note payable to the related party bears interest at 15.0% per annum and requires principal and interest payments of approximately $78,000 per month commencing on September 1, 2009 through maturity in November 2011.

New Senior Secured Credit Facility

On May 24, 2011, the Company entered into a $67.5 million senior credit facility with GCI Capital Markets LLC, as administrative agent and sole book runner, General Electric Capital Corporation, as syndication agent, and a syndicate of financial institutions and other entities with respect to a new senior secured credit facility.

The Company used the proceeds for the senior secured credit facility as follows:

(a) approximately $20.8 million to repay all outstanding loans and accrued and unpaid interest, servicing fees, commitment fees and letter of credit fees under our credit facility with Wells Fargo Capital Finance, Inc.

(b) approximately $10.1 million to repay the outstanding principal, interest, and expenses under our credit facility with HBK investments L.P.;

(c) approximately $1.6 million to pay the expenses of the lenders; and

(d) approximately $20.0 million to pay a dividend of $19.0 million to our common and preferred stockholders and other special bonus payments to members of management.

This senior secured credit facility provides for, (a) Revolving Credit Facility, (b) Term A Loan, (c) Delayed Draw Term B Loan and (d) Incremental Term Loan.

(a) The Revolving Credit Facility allows the Company to borrow up to $5.0 million, including a $500,000 sub-limit for letters of credit. The unpaid balance of the Revolving Credit Facility must be paid by May 24, 2016. Advances under the Revolving Credit Facility bear interest at a variable rate based on the prime, federal funds or Libor plus an applicable margin at the Company's election, based on the Company's total leverage ratio. Interest is due at the end of each month if the Company has selected to pay interest based on the Index Rate or at the end of each Libor period if the Company has selected to pay interest based on Libor.

(b) The Term A Loan is a $52.5 million term loan facility, maturing in May 2016. The Term A Loan bears interest at a variable rate based on the prime, federal funds or Libor plus an applicable margin at the Company's election, based on the Company's total leverage ratio. Quarterly principal payments of $131,250 commence on December 31, 2011, with the entire unpaid balance due at maturity on May 24, 2016. Interest is due at the end of each month if the Company has selected to pay interest based on the Index Rate or at the end of each Libor period if the Company has selected to pay interest based on Libor.

(c) The Delayed Draw Term B Loan is a $10.0 million term loan facility, which may be drawn upon after 30 days notice to the lenders prior to May 24, 2013. The Delayed Draw Term B Loan bears interest at a variable rate based on the Index rate or Libor plus an applicable margin at the Company's election, based on the Company's total leverage ratio. Interest is due at the end of each month if the Company has selected to pay interest based on the Index Rate or at the end of each Libor period if the Company has selected to

pay interest based on Libor. The entire unpaid balance of the delayed draw Term B Loan will be due on May 24, 2016.

(d) Under the Incremental Term Loan, the Company may request up to four incremental term loans of amounts of not more than $5.0 million each, and in an increment of $5.0 million in excess thereof, but not to exceed $20.0 million in the aggregate for all such incremental term loans. These incremental term loans may be prior to May 24, 2015 drawn upon after 30 days written notice to the agent and any lender agreeing to fund an incremental loan.

(e) Other Terms—In addition to paying interest on the outstanding principal under the senior secured credit facility, and quarterly principal payments commencing on December 31, 2011, the Company is required to pay a commitment fee to lenders under the revolving credit facility in respect of the unused commitments thereunder at a rate equal to 0.5%. The senior secured credit facility also requires the Company to maintain certain customary covenants and ratios.

Maturities of long-term debt obligations at December 26, 2010, adjusted to give effect to the May 24, 2011 refinancing are as follows:

2011	$ 1,107
2012	525
2013	525
2014	525
2015	525
Thereafter	27,525
Total long-term debt	$30,732

The obligations under the Company's long-term debt (excluding the note payable-related party) are jointly and severally guaranteed by the Company, each of the Company's subsidiaries, and any future subsidiaries. In addition, all debt is secured by a first priority lien on substantially all of the Company's assets.

7. ACCRUED LIABILITIES

The major classes of accrued liabilities at December 27, 2009 and December 26, 2010 are summarized as follows:

	2009	2010
Compensation and related benefits	$1,530	$1,795
Sales, property and liquor taxes	1,123	1,586
Other accruals	695	814
Deferred gift card revenue	476	660
Accrued interest	564	163
Total accrued liabilities	$4,388	$5,018

8. LEASES

The Company leases land and/or buildings for its corporate office and all of its restaurants under various long-term operating lease agreements. The initial lease terms range from 10 years to 20 years and currently expire between 2011 and 2031. The leases include renewal options for 5 to 20 additional years. Some of the leases provide for base (fixed) rent, plus additional rent based on gross sales, as defined in each lease agreement, in excess of a stipulated amount, multiplied by a stated percentage. The Company is also generally obligated to pay certain real estate taxes, insurance and common area maintenance ("CAM") charges, and various other expenses related to properties.

Rent expense is paid to various landlords including several companies owned and controlled by certain of the Company's minority stockholders.

At December 26, 2010, the future minimum rental commitments under non-cancellable operating leases, including option periods that are reasonably assured of renewal, plus five lease agreements related to new restaurant development, are as follows:

	RELATED PARTY	UNRELATED PARTIES	TOTAL
Fiscal year ending:			
2011	$ 1,754	$ 4,058	$ 5,812
2012	1,801	4,400	6,201
2013	1,852	4,422	6,274
2014	1,907	4,487	6,394
2015	1,980	4,581	6,561
Thereafter	3,481	39,612	43,093
Total minimum lease payments	$12,775	$ 61,560	$74,335

The above future minimum rental amounts exclude the accretion of deferred lease incentives, renewal options that are not reasonably assured of renewal, contingent rent based on sales or increases in the Consumer Price Index. The Company generally has escalating rents over the term of the leases and records rent expense on a straight-line basis.

Rent expense, excluding real estate taxes, CAM charges, insurance, deferred lease incentives and other expenses related to operating leases for the years ended December 28, 2008, December 27, 2009 and December 26, 2010 consists of the following:

	2008	2009	2010
Minimum rent—related parties	$1,528	$1,622	$1,663
Contingent rent—related parties	455	420	409
Total rent—related parties	1,983	2,042	2,072
Minimum rent—unrelated parties	752	1,483	2,582
Contingent rent—unrelated parties	60	82	96
Total rent—unrelated parties	812	1,565	2,678
Total minimum and contingent rent	$2,795	$3,607	$4,750

9. EMPLOYEE BENEFIT PLAN

The Chuy's Opco, Inc. 401(k) plan, (the 401(k) Plan), is a defined contribution plan covering all eligible employees. The 401(k) Plan provides for employee salary deferral contributions up to the maximum allowable by the Internal Revenue Service (IRS), as well as Company discretionary matching contributions. Company contributions relating to the 401(k) Plan were $60,000, $60,000 and $50,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively.

10. STOCK-BASED COMPENSATION

The Company maintains the Chuy's Holdings, Inc. 2006 Stock Option Plan (the "Plan"). The Plan provides for the issuance of options to purchase up to 2,722,222 of the Company's common stock. Options granted have a maximum term of 10 years. Subject to an optionee's continued employment, options granted on December 6, 2006 vest 60% on the third anniversary of the date of grant and 20% on each of the fourth and fifth anniversaries of the date of the grant. Options granted after December 6, 2006 vest 20% for each of the first five anniversaries of the

date of grant if the optionee remains in the continuous employment of the Company through such dates. Under the employment agreement with the Chief Executive Officer, all of his options would immediately vest upon a change in control.

Stock-based compensation cost recognized in the accompanying consolidated statements of income was $192,000, $235,000 and $310,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively. The related tax benefits associated with this cost was $65,000, $80,000 and $105,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010 respectively.

A summary of stock-based compensation activity and changes during the period then ended as of December 28, 2008, December 27, 2009 and December 26, 2010 are as follows:

	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL TERM(YEARS)	AGGREGATE INTRINSIC VALUE
Outstanding at December 30, 2007	2,159,334	$ 1.19		
Granted	65,000	1.26		
Exercised	—			
Forfeited	(35,000)	1.00		
Outstanding at December 28, 2008	2,189,334	$ 1.18	8.3	$ 2,158
Exercisable at December 28, 2008	276,934	$ 1.00	8.4	$ 324
Outstanding at December 28, 2008	2,189,334	$ 1.18		
Granted	180,000	2.17		
Exercised	—			
Forfeited	—			
Outstanding at December 27, 2009	2,369,334	$ 1.26	7.4	$ 4,077
Exercisable at December 27, 2009	1,044,534	$ 1.00	7.2	$ 2,065
Outstanding and expected to vest at December 27, 2009	2,369,334	$ 1.26		
Granted	270,000	2.98		
Exercised	—			
Forfeited	(15,000)	2.17		
Outstanding and expected to vest at December 26, 2010	2,624,334	$ 1.43	6.66	$ 6,558
Exercisable at December 26, 2010	1,553,934	$ 1.18	6.25	$ 4,276

The Company assumed zero forfeitures as options have been granted to senior management level employees for which the Company has experienced historically low turnover. The expected term was calculated based upon similar grants of comparable companies.

The weighted-average grant date fair value of options granted was $0.82, $1.13 and $1.51 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively. Expected volatility was based on competitors within the industry and using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2008	2009	2010
Dividend yield	0%	0%	0%
Expected volatility	58%	44%	44%
Risk-free rate of return	4%	2.42%	3.36%
Expected life	8 years	7 years	7 years

There was $672,000 of total unrecognized compensation costs related to options granted under the Plan as of December 26, 2010. These costs will be recognized through the year 2014. In the event of a change of control, approximately $171,000 of this cost would be immediately recognized.

11. INCOME TAXES

The provision for income taxes for the years ended December 28, 2008, December 27, 2009 and December 26, 2010 consisted of the following:

	2008	2009	2010
Current Income Tax Expense:			
Federal	$ —	$ —	**$ —**
State and local	158	196	**209**
Total current income tax expense	158	196	**209**
Deferred income tax (benefit) expense:			
Federal	(271)	881	**1,007**
State and local	—	—	**212**
Total deferred income tax (benefit) expense	(271)	881	**1,219**
Total income tax (benefit) expense	$(113)	$1,077	**$1,428**

Temporary differences between the tax and financial reporting basis of assets and liabilities that give rise to the deferred income tax assets (liabilities) and their related tax effects at December 27, 2009 and December 26, 2010 are as follows:

	2009	2010
Deferred tax assets:		
Net operating loss carryforwards	$ 2,763	**$ 3,635**
Accrued liabilities	72	**170**
General business credits	1,374	**2,098**
Stock-based compensation	201	**313**
Other	111	**62**
Total deferred tax assets	4,521	**6,278**
Deferred tax liability:		
Intangibles	(2,907)	**(3,937)**
Prepaid expenses	(150)	**(194)**
Property and equipment	(1,708)	**(3,539)**
Other	(41)	**(111)**
Total deferred tax liabilities	(4,806)	**(7,781)**
Net deferred tax liability	$ (285)	**$(1,503)**

The Company's net operating loss carryforward of $10,690,000 at December 26, 2010 will expire in 2030. As of December 26, 2010, the Company has tax credits of $2,098,000 expiring in 2030. The following is a table showing the net operating loss by year of expiration:

Year Created	Net Operating Loss	Year Expiring
2006	$ 458	2026
2007	2,441	2027
2008	4,293	2028
2009	2,883	2029
2010	615	2030
	$10,690	

Deferred tax assets are reduced by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred taxes will not be realized. Both positive and negative evidence are considered in forming management's judgment as to whether a valuation allowance is appropriate, and more weight is given to evidence that can be objectively verified. The tax benefits relating to any reversal of the valuation allowance on the deferred tax assets would be recognized as a reduction of future income tax expense. The Company believes that it will realize all of the deferred tax assets. Therefore, no valuation allowance has been recorded.

The effective income tax (benefit) expense differs from the federal statutory tax expense for the years ended December 28, 2008, December 27, 2009 and December 26, 2010 as follows:

	2008	2009	2010
Income tax expense at statutory rate	$ 13	$1,255	$1,604
State tax expense, net of federal benefit	104	98	278
Non-deductible compensation	246	244	273
FICA tip credit	(480)	(576)	(705)
Other	4	56	(22)
Income tax (benefit) expense	$(113)	$1,077	$1,428

The Company adopted the FASB ASC 740 *Income Taxes* authoritative guidance in regard to uncertain tax positions during 2009. The standard requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not (i.e. a likelihood of more than 50%) that the position would be sustained upon examination by tax authorities. A recognized tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. Upon adoption, the Company determined that these new standards did not have a material effect on prior consolidated financial statements and therefore no change was made to the opening balance of retained earnings. The standards also require that changes in judgment that result in subsequent recognition, derecognition or change in a measurement of a tax position taken in a prior annual period (including any related interest and penalties) be recognized as a discrete item in the interim period in which the change occurs. As of December 28, 2008, December 27, 2009 and December 26, 2010, the Company recognized no liability for uncertain tax positions.

It is the Company's policy to include any penalties and interest related to income taxes in its income tax provision. However, the Company currently has no penalties or interest related to income taxes. The Company is currently open to audit under the statute of limitations by the IRS for the years ended December 30, 2007 through 2010.

12. COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and legal actions arising in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

The Company is contractually committed to lease five restaurants that were not open as of December 26, 2010. The new locations are a combination of ground-up prototype, new unit builds, and retail end cap locations and will require capital expenditures ranging between $2.0 million and $2.5 million each.

In connection with the Sponsor's investment in 2006, the Company entered into an advisory agreement with the Sponsor, pursuant to which the Sponsor provides the Company with certain financial advisory services. In exchange for these services, the Company pays the Sponsor an aggregate annual management fee equal to $350,000 and reimburses them for out-of-pocket expenses incurred by it in connection with the provision of services pursuant to the agreement. This agreement will terminate when the Sponsor's ownership drops below 20%. Payments to the Sponsor were $370,000, $383,000 and $375,000 for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively.

In conjunction with hiring and relocating the Company's Chief Executive Officer, Steve Hislop, in 2007, the Company agreed to lend Mr. Hislop the amount of his home mortgage payments on his prior residence as he was unable to sell the home when he relocated. Amounts paid for Mr. Hislop's mortgage accrued interest at 8% per annum. The note receivable balance was $111,000 and $114,300 for the years ended December 27, 2009 and December 26, 2010, respectively. Mr. Hislop repaid a principal amount of $106,000 and $107,000 along with interest of $5,000 and $7,300 for the years ended December 27, 2009 and December 26, 2010, respectively. In June 2011, Mr. Hislop repaid all the principal and interest on the loan and we extinguished the loan agreement.

13. RELATED PARTY TRANSACTIONS

The Company has related party transactions with the Sponsor, the Founders and the Chief Executive Officer as described below:

Sponsor

The Company entered into an advisory agreement under which the Sponsor provides certain financial advisory services. See Note 12 Commitments and Contingencies.

In May 2010, the Company sold 1,676,316 shares of Series X convertible preferred stock to the Sponsor and their affiliates. The aggregate proceeds were $5.0 million and were used for general corporate purposes.

Founders

The Company leases its corporate office and six restaurant locations from entities owned by the Founders. See Note 8 Leases.

In connection with the investment in the Company by the Sponsor in November 2006, the purchase price included a contingent element. This element was an agreement to complete the development of a new restaurant location. Payment for this unit was to be based on the cash flow of the restaurant during its first fourteen months of operation after the first full four months the restaurant was open. The restaurant opened in April 2008 and payment was made in November 2009. This contingent payment was $3,782,000, with $410,000 recorded in property and equipment and the remaining $3,372,000 as goodwill.

In conjunction with the Sponsor's investment in November 2006, a retention bonus plan was implemented. See Note 14 Deferred Compensation. At that time, the Company transferred the responsibility for certain future payments to an entity controlled by its Founders. To recognize that obligation, the Company established a note payable for those obligations. See Note 6 Long-Term Debt.

Chief Executive Officer

In May, 2008, in conjunction with his employment, the Company sold 280,000 shares of common stock with an aggregate purchase price of $280,000 to Steve Hislop, its Chief Executive Officer.

In connection with the employment agreement with the Company's Chief Executive Officer, the Company entered into a bridge loan for mortgage payments on his prior residence. See Note 12 Commitments and Contingencies.

14. DEFERRED COMPENSATION

Concurrent with the Sponsor's investment in November 2006, the Company entered into employment agreements with certain employees. The employment agreements provided for the payment of specified bonuses over a two- to three-year period. Certain of the employment agreements required the employee to remain employed with the Company for two years to continue receiving payments while certain employment agreements had no continued service requirements. The present value of the bonus obligations was recognized as compensation expense on a straight-line basis over the requisite service period.

Certain employees are also entitled to receive future bonus payments directly from an entity owned by the Founders provided they completed the two-year service requirement. Compensation cost under these agreements was determined based on the present value of the obligation at November 2006 and was recognized on a straight-line basis over the requisite service period with a corresponding credit to paid-in capital. Interest expense has been recorded for the accretion of the obligation on the effective interest method with a corresponding credit to paid-in capital.

Compensation cost under these agreements including estimated employer payroll taxes, was $2,438,000, ($100,000) and $0, for the years ended December 28, 2008, December 27, 2009 and December 26, 2010, respectively. The Company had deferred compensation liability of $727,000 $0 and $0 as of December 28, 2008, December 27, 2009 and December 26, 2010, respectively. All required compensation payments have been made as of December 27, 2009.

15. SUBSEQUENT EVENTS

On May 24, 2011, the Company entered into a $67.5 million senior secured credit facility as discussed in Note 6 Long-Term Debt. All borrowings from Wells Fargo Capital Finance, Inc. and HBK Investments, L.P. were retired with the proceeds from this new senior secured credit facility. If the interest rates from the new facility had been in place under the previous credit facility, interest expense would have been reduced by approximately $590,000 for fiscal 2010.

On May 25, 2011, the Company declared a special dividend of $0.6347 per share on all outstanding shares of common stock and preferred stock. These dividends of approximately $19 million were paid by May 31, 2011.

In June 2011, the Company entered into a settlement agreement with a former director. The settlement agreement provided that the Company pay the former director a settlement amount of $175,000 and $52,896 in a special dividend, the pro rata share related to the common stock held by him on the record date of such dividend. Prior to the settlement amount being paid, the former director exercised his option to purchase the 83,334 shares of common stock that he held on the record date.

From December 26, 2010 through June 26, 2011, the Company opened four new restaurants for a total of 27 restaurants.

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through [*], 2011 which was the date the financial statements were available to be issued.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
As of December 26, 2010 and March 27, 2011
(In thousands, except per share data)

	DECEMBER 26, 2010	MARCH 27, 2011 (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,337	$ 2,897
Accounts receivable	403	310
Note receivable	115	144
Lease incentives receivable	4,036	1,900
Inventories	413	400
Prepaid expenses and other current assets	954	731
Total current assets	9,258	6,382
Property and equipment, net	32,113	36,034
Other assets and intangible assets, net	1,302	1,315
Tradename	21,900	21,900
Goodwill	24,069	24,069
Total assets	$ 88,642	$ 89,700
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,878	$ 1,553
Accrued liabilities	5,018	4,366
Deferred tax liability	44	44
Deferred lease incentives	350	571
Current maturities of long-term debt	1,107	976
Total current liabilities	8,397	7,510
Deferred tax liability, less current portion	1,459	1,927
Accrued deferred rent	237	473
Deferred lease incentives, less current portion	7,956	7,597
Long-term debt, less current maturities	29,625	29,863
Total liabilities	47,674	47,370
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value; 32,601,462 shares authorized; issued and outstanding, 468,416 shares at December 26, 2010 and March 27, 2011	5	5
Convertible preferred stock, $0.01 par value; 29,398,538 shares authorized; issued and outstanding, 29,398,538 shares at December 26, 2010 and March 27, 2011, liquidation preference of $33,339 and $33,592 at December 26, 2010 and March 27, 2011	294	294
Paid-in capital	35,944	36,042
Retained earnings	4,725	5,989
Total stockholders' equity	40,968	42,330
Total liabilities and stockholders' equity	$ 88,642	$ 89,700

See Notes to Unaudited Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Income
For the thirteen weeks ended March 28, 2010 and March 27, 2011
(In thousands, except share and per share data)

	MARCH 28, 2010	MARCH 27, 2011
		(unaudited)
Revenue	$ 20,374	$ 29,209
Costs and expenses:		
Cost of sales	6,050	8,843
Labor	6,537	9,191
Operating	2,506	3,520
Occupancy	1,257	1,687
General and administrative	1,252	1,453
Marketing	157	220
Restaurant pre-opening	340	668
Depreciation and amortization	592	925
Total costs and expenses	18,691	26,507
Income from operations	1,683	2,702
Interest expense	913	889
Income before income taxes	770	1,813
Income tax expense	242	549
Net Income	$ 528	$ 1,264
Net earnings per share—basic	$ 0.02	$ 0.03
Net earnings per share—diluted	$ 0.02	$ 0.03
Weighted-average shares outstanding—basic	372,166	468,416
Weighted-average shares outstanding—diluted	29,507,338	29,912,845

See Notes to Unaudited Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' Equity
For the thirteen weeks ended March 28, 2010 and March 27, 2011
(In thousands, except share data)
(Unaudited)

	COMMON STOCK		CONVERTIBLE PREFERRED STOCK		PAID-IN	RETAINED	
	SHARES	AMOUNT	SHARES	AMOUNT	CAPITAL	EARNINGS	TOTAL
Balance, December 27, 2009	372,166	$ 4	27,722,222	$ 277	$30,205	$ 1,434	$31,920
Stock-based compensation	—	—	—	—	74	—	74
Deferred compensation contributed by stockholder	—	—	—	—	30	—	30
Net income	—	—	—	—	—	528	528
Balance, March 28, 2010	372,166	$ 4	27,722,222	$ 277	$30,309	$ 1,962	$32,552
Balance, December 26, 2010	468,416	$ 5	29,398,538	$ 294	$35,944	$ 4,725	$40,968
Stock-based compensation	—	—	—	—	84	—	84
Deferred compensation contributed by stockholder	—	—	—	—	14	—	14
Net income	—	—	—	—	—	1,264	1,264
Balance, March 27, 2011	468,416	$ 5	29,398,538	$ 294	$36,042	$ 5,989	$42,330

See Notes to Unaudited Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the thirteen weeks ended March 28, 2010 and March 27, 2011
(In thousands)

	MARCH 28, 2010	MARCH 27, 2011
	(unaudited)	
Cash flows from operating activities:		
Net income	$ 528	$ 1,264
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	592	925
Amortization of loan origination costs	47	47
Stock-based compensation	74	84
Deferred compensation contributed by shareholder	30	14
Loss on disposal of equipment	5	2
Accretion of deferred lease incentives	(40)	(138)
Deferred income taxes	180	468
Changes in operating assets and liabilities:		
Accounts receivable	33	93
Lease incentives receivable	513	2,136
Lease origination costs	(164)	(23)
Inventories	9	13
Prepaid expenses and other current assets	80	223
Accounts payable	(652)	(325)
Accrued liabilities	(817)	(416)
Deferred lease incentives	561	—
Net cash provided by operating activities	979	4,367
Cash flows from investing activities:		
Acquisition of property and equipment	(1,996)	(4,840)
Acquisition of other assets	(35)	(45)
Increase in note receivable	(29)	(29)
Net cash used in investing activities	(2,060)	(4,914)
Cash flows from financing activities:		
Payments on long-term debt	(187)	(393)
Net borrowings under revolving line of credit	1,000	500
Net cash provided by financing activities	813	107
Net decrease in cash and cash equivalents	(268)	(440)
Cash and cash equivalents, beginning of period	2,062	3,337
Cash and cash equivalents, end of period	$ 1,794	$ 2,897
Supplemental cash flow disclosures:		
Interest paid	$ 852	$ 823
Income taxes paid	$ 0	$ 12

See Notes to unaudited Consolidated Financial Statements.

CHUY'S HOLDINGS, INC. AND SUBSIDIARIES

Condensed Notes to Unaudited Consolidated Financial Statements
(Tabular amounts in thousands, except share and per share data)

1. Basis of Presentation

Description of Business—Chuy's Holdings, Inc. (the "Company"), a Delaware corporation, was formed in November 2006 to purchase certain assets and assume certain liabilities comprising eight Chuy's restaurants located in Texas. The Company is in the business of developing and operating Chuy's restaurants throughout the United States. The Company operated 18 restaurants in two states and 24 restaurants in four states as of March 28, 2010 and March 27, 2011, respectively.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and disclosures required by GAAP for complete financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates. Operating results for the thirteen weeks ended March 27, 2011 are not necessarily indicative of the results that may be expected for the full fiscal year ending December 25, 2011.

Certain information and disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to applicable rules and regulations of the Securities and Exchange Commission. In the opinion of management, the unaudited consolidated financial statements include all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation. These unaudited consolidated statements of financial position as of March 27, 2011 and for the thirteen weeks ended March 28, 2010 and March 27, 2011 should be read in conjunction with the consolidated audited financial statements and notes for the fiscal year ended December 26, 2010 included elsewhere in this prospectus.

2. Earnings per Share

The number of shares and earnings per share data ("EPS") for all periods presented are based on the historical weighted-average shares of common stock outstanding. EPS is computed using the two-class method. The two-class method determines EPS for common stock and participating securities according to dividends and dividend equivalents and their respective participation rights in undistributed earnings. Basic EPS of common stock is computed by dividing net income (loss), less the undistributed earnings allocated to participating interest, by the weighted-average number of shares of common stock outstanding for the period. Due to the issuance of series X preferred stock in 2010, the basic EPS of common stock is computed by dividing net income (loss), less undistributed earnings allocated to participating interest and less the original investment of $5.0 million in series X preferred stock and annualized 20.0% preferred return, by the weighted-average number of shares of common stock outstanding for the period. The original investment in the series X preferred stock and the 20.0% preferred return must be paid to series X preferred stock holders prior to any payment of dividends to the common stockholders.

Diluted EPS of common stock is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential shares of common stock outstanding during the period using the treasury stock method. Options to purchase 138,000 and 0 shares of common stock, as of March 28, 2010 and March 27, 2011, respectively, were outstanding but not included in the computation of diluted net EPS because their inclusion would have an anti-dilutive effect.

	FOR THE THIRTEEN WEEKS ENDING	
	MARCH 28, 2010	MARCH 27, 2011
BASIC		
Numerator:		
Net income	$ 528	$ 1,264
Less preferred return on series X preferred stock	—	252
Less undistributed earnings allocated to participating interests	521	996
Net income available to common stockholders	$ 7	$ 16
Denominator:		
Weighted-average shares outstanding	348,178	468,416
Basic earnings (loss) per share	$ 0.02	$ 0.03
DILUTED		
Numerator:		
Net earnings	$ 528	$ 1,264
Less preferred return on series X preferred stock	—	252
Net income available to common stockholders	$ 528	$ 1,012
Denominator:		
Weighted-average shares outstanding	372,166	468,416
Dilutive effect of preferred stock	27,722,222	27,722,222
Dilutive effect of stock options	1,412,950	1,722,207
Weighted-average diluted shares	29,507,338	29,912,845
Diluted earnings (loss) per share	$ 0.02	$ 0.03

3. Stock-Based Compensation

The Company maintains the Chuy's Holdings, Inc. 2006 Stock Option Plan (the "Plan"). The Plan provides for the issuance of options to purchase up to 2,722,222 of the Company's common stock. Options granted have a maximum term of 10 years. Subject to an optionee's continued employment, options granted on December 6, 2006 vest 60% on the third anniversary of the date of grant and 20% on each of the fourth and fifth anniversaries of the date of the grant. Options granted after December 6, 2006 vest 20% for each of the first five anniversaries of the date of grant if the optionee remains in the continuous employment of the Company through such dates. In addition, under the employee agreement with our Chief Executive Officer, all of his options would immediately vest upon a change in control.

Stock-based compensation cost recognized in the accompanying consolidated statements of income was $74,000 and $84,000 for the thirteen weeks ended March 28, 2010 and March 27, 2011, respectively.

A summary of stock-based compensation activity and changes are as follows:

	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	WEIGHTED-AVERAGE REMAINING CONTRACTUAL TERM (YEARS)	AGGREGATE INTRINSIC VALUE
Outstanding at December 27, 2009	2,369,334	$ 1.26		
Granted	270,000	2.98		
Exercised	—			
Forfeited	(15,000)	2.17		
Outstanding at March 28, 2010	2,624,334	$ 1.43	7.41	$ 4,223
Exercisable March 28, 2010	1,090,534	$ 1.04	6.99	$ 2,179
Outstanding at December 26, 2010	2,624,334	$ 1.43		
Granted	150,625	3.93		
Exercised	—			
Forfeited	(15,000)	2.17		
Outstanding and expected to vest at March 27, 2011	2,759,959	$ 1.56	6.59	$ 7,884
Exercisable at March 27, 2011	1,647,934	$ 1.25	6.13	$ 5,217

The Company assumed zero forfeitures as options have been granted to senior management level employees for which the Company has experienced historically low turnover. The expected term was calculated based upon similar grants of comparable companies.

The weighted-average grant date fair value of options granted was $1.51 and $2.06 for the thirteen weeks ending March 28, 2010 and March 27, 2011, respectively, using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2010	2011
Dividend yield	0.0%	0.0%
Expected volatility	44.0%	44.0%
Risk-free rate of return	3.4%	3.4%
Expected life	7 years	7.5 years

There was $875,000 of total unrecognized compensation costs related to options granted under the Plan as of March 27, 2011. These costs will be recognized through the year 2015. In the event in a change of control, approximately $142,000 of this cost would be immediately recognized.

4. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable at March 28, 2010 and March 27, 2011, approximate their fair value due to the short-term maturities of these financial instruments. The carrying amount of the Company's variable rate long-term debt was $30,727,000 and $30,839,000 at March 28, 2010 and March 27, 2011, respectively. The fair value of the Company's variable rate long-term debt was $31,679,000 and $31,202,000 at March 28, 2010 and March 27, 2011, respectively, which was higher than company value due to an element of the long-term debt having an interest rate component that was higher than the current market interest rate. The debt was retired in May 2011 at carrying value.

5. Contingencies

The Company is involved in various claims and legal actions arising in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

6. Subsequent Events

On May 24, 2011, the Company entered into a $67.5 million senior secured credit facility. See Note 6 Long-Term Debt included in the Consolidated Financial Statements for the fiscal year ended December 26, 2010. All borrowings from Wells Fargo Capital Finance, Inc. and HBK Investments, L.P. were retired with the proceeds from this new senior secured credit facility. If the interest rates from the new facility had been in place under the previous credit facility, interest expense would have been reduced by approximately $590,000 for fiscal 2010.

On May 25, 2011, the Company declared a special dividend of $0.6347 per share on all outstanding shares of common stock and preferred stock. These dividends of approximately $19 million were paid by May 31, 2011.

In June 2011, the Company entered into a settlement agreement with a former director. The settlement agreement provided that the Company pay the former director a settlement amount of $175,000 and $52,896 in a special dividend, the pro rata share related to the common stock held by him on the record date of such dividend. Prior to the settlement amount being paid, the former director had exercised his option to purchase the 83,334 shares of common stock that he held on the record date.

From December 26, 2010 through June 26, 2011, the Company opened four new restaurants for a total of 27 restaurants. In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through [*], 2011, which was the date the financial statements were available to be issued.

Shares

Chuy's Holdings, Inc.

Common Stock

PRELIMINARY PROSPECTUS

Jefferies
Baird

, 2011

PART II: INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other expenses of issuance and distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the issuance and distribution of the shares of common stock being registered.

	AMOUNT TO BE PAID
SEC registration fee	$ 8,705.50
Printing and engraving expense	$ *
Legal fees and expenses	$ *
Accounting fees and expenses	$ *
FINRA filing fee	$ 8,000.00
Transfer agent fees and expenses	$ *
Miscellaneous expenses	$ *
Total	$ *

*To be provided by amendment.

Item 14. Indemnification of directors and officers.

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses that such officer or director has actually and reasonably incurred. Our certificate of incorporation and our bylaws, each of which as will become effective upon the closing of this offering, provide for the indemnification of our directors and officers to the fullest extent permitted under the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

- unlawful payment of dividends, unlawful stock purchase or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

Our certificate of incorporation and bylaws include such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by us upon delivery to us of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Section 174 of the Delaware General Corporation Law provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved, or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

As permitted by the Delaware General Corporation Law, we have entered into indemnity agreements with each of our directors and officers that require us to indemnify such persons against any and all expenses (including attorneys' fees), witness fees, judgments, fines, settlements and other amounts incurred (including expenses of a derivative action) in connection with any action, suit or proceeding or alternative dispute resolution mechanism, inquiry hearing or investigation, whether threatened, pending or completed, to which any such person may be made a party by reason of the fact that such person is or was a director, an officer or an employee of our company, provided that such person's conduct did not constitute a breach of his or her duty of loyalty to us or our stockholders, and was not an act or omission not in good faith or which involved intentional misconduct or a knowing violation of laws.

At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

We have an insurance policy covering our officers and directors with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

We plan to enter into an underwriting agreement that provides that the underwriters are obligated, under some circumstances, to indemnify our directors, officers and controlling persons against specified liabilities, including liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

Except as set forth below, in the three years preceding the filing of this registration statement, we have not issued any securities that were not registered under the Securities Act.

In May 2010, we sold 1,676,316 shares of our series X preferred stock at a price of $2.98 per share for an aggregate purchase price of $5.0 million to an affiliate of Goode Chuy's Holdings, LLC, Steve Hislop, Frank Biller, MY/ZP Equity, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC and 522 Fifth Avenue Fund, L.P.

In December 2010, we sold 27,500 shares of our common stock at a price per share of $3.64 for an aggregate purchase price of $100,048.16 to each of Ted Zapp, Sharon Russell and John Mountford and 13,750 shares of our common stock at a price per share of $3.64 for an aggregate purchase price of $50,024.08 to Michael Hatcher.

In May 2008, we sold 280,000 shares of our common stock at a price of $1.00 per share for an aggregate purchase price of $280,000 to Steve Hislop, our Chief Executive Officer, and, in April 2009, we sold 92,166 shares of our common stock at a price of $2.17 per share for an aggregate purchase price of $200,000 to Frank Biller, our Vice President of Operations, Southeast.

Since December 6, 2006, we have granted 2,729,959 options to purchase shares of our common stock to employees under our 2006 Stock Option Plan at exercise prices ranging from $1.00 to $3.93 per share. During this period, options to purchase 83,334 shares of our common stock were exercised with an average per share exercise price of $1.00 for cash consideration to us in the aggregate amount of $83,334.

The issuances of options, shares upon the exercise of options, series X preferred stock and common stock described above were deemed exempt from registration under Section 4(2) or Regulation D of the Securities Act, and in certain circumstances, in reliance on Rule 701 promulgated thereunder as transactions pursuant to compensatory benefit plans and contracts relating to compensation. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. The recipients of securities in the transactions exempt under Section 4(2) or Regulation D of the Securities Act represented their intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the stock certificates and instruments issued in such transactions.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION
*1.1	Form of Underwriting Agreement
*3.1	Restated Certificate of Incorporation as of the close of this offering
*3.2	Amended and Restated Bylaws as of the close of this offering
*4.1	Form of Common Stock Certificate
4.2	Amended and Restated Stockholders Agreement, dated May 4, 2010, by and among Chuy's Holdings, Inc., MY/ZP Equity, LLC, Goode Chuy's Holdings, LLC, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC, 522 Fifth Avenue Fund, L.P., and certain other stockholders, optionholders and permitted transferees
5.1	Form of Opinion of Jones Day
10.1	Credit Agreement, dated May 24, 2011, by and among Chuy's Opco, Inc., as borrower, subsidiaries of Chuy's Holdings, Inc., as guarantors, the lenders party thereto, General Electric Capital Corporation, as syndication agent, and GCI Capital Markets LLC, as administrative agent and sole bookrunner
10.2	Employment Agreement, dated July 9, 2007, between Chuy's Opco, Inc. and Steven J. Hislop
*10.3	Chuy's Holdings, Inc. 2011 Omnibus Equity Incentive Plan
*10.4	Form of Restricted Stock Award Agreement (2011 Omnibus Equity Incentive Plan)
*10.5	Form of Stock Option Award Agreement (2011 Omnibus Equity Incentive Plan)
10.6	Chuy's Holdings, Inc. 2006 Stock Option Plan
10.7	Form of Stock Option Award Agreement (2006 Stock Option Plan)
*10.8	Form of Indemnification Agreement
10.9	Letter Agreement regarding Arbor Trails Chuy's, dated November 7, 2006, by and between Chuy's Opco, Inc. and Three Star Management, Ltd.
10.10	Recipe License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.
10.11	Banana Peel Software License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and Banana Peel, LLC
10.12	Cross-Marketing License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.
10.13	Management Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and Three Star Management, Ltd.
10.14	Management System License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.
10.15	Parade Sponsorship Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.

EXHIBIT NUMBER	DESCRIPTION
10.16	Settlement Agreement, dated June 15, 2011, among Chuy's Holdings, Inc., Goode Partners LLC, the Shackelford Affiliates and Goode Consumer Fund I, L.P.
10.17	Promissory Note, dated November 7, 2006, between Chuy's Opco, Inc. and Three Star Management, Ltd.
10.18	Form of Chuy's Holdings, Inc.'s 2009 Common Stock Subscription Agreement
10.19	Form of Chuy's Holdings, Inc.'s 2010 Common Stock Subscription Agreement
10.20	Form of Chuy's Holdings, Inc.'s 2010 Series X Preferred Stock Subscription Agreement
10.21	Form of License Exercisable Upon Event of Default Under Lease Agreement
10.22	Advisory Agreement, dated November 7, 2006, between Chuy's Opco, Inc. and Goode Partners LLC
10.23	Lease Agreement, dated November 7, 2006, between Young Zapp Graceland, Ltd. and Chuy's Opco, Inc.
10.24	Lease Agreement, dated January 1, 2002, between Young Zapp North Lamar, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.25	Lease Agreement, dated November 1, 1998, between Young-Zapp Joint Venture II and Chuy's Opco, Inc., as amended, modified and assigned
10.26	Lease Agreement, dated November 19, 1996, between Young Zapp Joint Venture-IV and Chuy's Opco, Inc., as amended, modified and assigned
10.27	Lease Agreement, dated January 22, 2001, between Young Zapp JVRR, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.28	Lease Agreement, dated June 1, 2003, between Young Zapp Shenandoah, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.29	Lease Agreement, dated April 22, 2008, between Young Zapp Arbor Trails, Ltd. and Chuy's Opco, Inc.
21.1	Subsidiaries of Chuy's Holdings, Inc.
23.1	Consent of McGladrey & Pullen, LLP
*23.2	Consent of Jones Day (included in Exhibit 5.1)
24.1	Power of Attorney

*To be filed by subsequent amendment

(b) Financial Statement Schedule

See the Index to Financial Statements included on page F-1 for a list of the financial statements included in this registration statement

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas, on August 5, 2011.

CHUY'S HOLDINGS, INC.

By: /s/ Steven J. Hislop
Steven J. Hislop
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURES	TITLE
/s/ Steven J. Hislop Steven J. Hislop	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ Sharon Russell Sharon Russell	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Jose Ferreira, Jr. Jose Ferreira, Jr.	Chairman of the Board, Director
/s/ David J. Oddi David J. Oddi	Director
/s/ Michael C. Stanley Michael C. Stanley	Director
/s/ Michael R. Young Michael R. Young	Director
/s/ John A. Zapp John A. Zapp	Director
/s/ Ira L. Zecher Ira L. Zecher	Director

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10.13	Management Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and Three Star Management, Ltd.
10.14	Management System License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.
10.15	Parade Sponsorship Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd.
10.16	Settlement Agreement, dated June 15, 2011, among Chuy's Holdings, Inc., Goode Partners LLC, the Shackelford Affiliates and Goode Consumer Fund I, L.P.
10.17	Promissory Note, dated November 7, 2006, between Chuy's Opco, Inc. and Three Star Management, Ltd.
10.18	Form of Chuy's Holdings, Inc.'s 2009 Common Stock Subscription Agreement
10.19	Form of Chuy's Holdings, Inc.'s 2010 Common Stock Subscription Agreement
10.20	Form of Chuy's Holdings, Inc.'s 2010 Series X Preferred Stock Subscription Agreement
10.21	Form of License Exercisable Upon Event of Default Under Lease Agreement
10.22	Advisory Agreement, dated November 7, 2006, between Chuy's Opco, Inc. and Goode Partners LLC
10.23	Lease Agreement, dated November 7, 2006, between Young Zapp Graceland, Ltd. and Chuy's Opco, Inc.
10.24	Lease Agreement, dated January 1, 2002, between Young Zapp North Lamar, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.25	Lease Agreement, dated November 1, 1998, between Young-Zapp Joint Venture II and Chuy's Opco, Inc., as amended, modified and assigned
10.26	Lease Agreement, dated November 19, 1996, between Young Zapp Joint Venture-IV and Chuy's Opco, Inc., as amended, modified and assigned

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EXHIBIT NUMBER	DESCRIPTION
10.27	Lease Agreement, dated January 22, 2001, between Young Zapp JVRR, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.28	Lease Agreement, dated June 1, 2003, between Young Zapp Shenandoah, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned
10.29	Lease Agreement, dated April 22, 2008, between Young Zapp Arbor Trails, Ltd. and Chuy's Opco, Inc.
21.1	Subsidiaries of Chuy's Holdings, Inc.
23.1	Consent of McGladrey & Pullen, LLP
*23.2	Consent of Jones Day (included in Exhibit 5.1)
24.1	Power of Attorney

* To be filed by subsequent amendment

Exhibit 4.2

AMENDED AND RESTATED
STOCKHOLDERS AGREEMENT

This STOCKHOLDERS AGREEMENT is dated as of May 4, 2010, by and among (a) Chuy's Holdings, Inc., a Delaware corporation (the "Company"), (b) MY/ZP Equity, LLC, a Texas limited liability company (the "Young/Zapp Entity"), (c) Goode Chuy's Holdings, LLC, a Delaware limited liability company ("Goode"), (d) Goode Chuy's Direct Investors, LLC, a Delaware limited liability company (the "Goode Direct Investor"), (e) J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC, a Delaware limited liability company and 522 Fifth Avenue Fund, L.P., a Delaware limited partnership (collectively, the "JPM Direct Investors"), (f) the holders of Common Stock that are identified as "Common Stockholders" on the signature page hereto, (g) any Optionholder acquiring Option Shares after the date hereof, and (h) any Permitted Transferee who acquires Securities from a Stockholder after the date hereof, in each case, to the extent that such Person becomes a party to this Agreement pursuant to Section 2.1(b).

RECITALS:

A. On the date hereof, Goode owns 25,000,000 shares of Series A Stock of the Company.

B. On the date hereof, the Young/Zapp Entity owns 2,722,222 shares of Series B Stock of the Company and 197,594 shares of Series X Stock of the Company.

C. On the date hereof, the Goode Direct Investor owns 725,854 shares of Series X Stock of the Company.

D. On the date hereof, the JPM Direct Investors, in the aggregate, own 725,854 shares of Series X Stock of the Company.

E. On the date hereof, Steve Hislop owns 280,000 shares of Common Stock and 20,324 shares of Series X Stock of the Company and Frank Biller owns 92,166 shares of Common Stock and 6,690 shares of Series X Stock of the Company.

F. As of the date hereof, Optionholders have been granted options ("Options") to purchase 2,624,334 shares of Common Stock ("Option Shares") pursuant to the Stock Option Plan and additional Options may be granted after the date hereof.

G. The Company and the Stockholders desire to establish certain restrictions and obligations on the ownership, retention and disposition of the capital stock of the Company pursuant to the terms and conditions of this Agreement.

Accordingly, the parties hereto hereby agree as follows:

I. DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere herein, the following terms have the following meanings when used herein with initial capital letters:

"Addendum Agreement" has the meaning specified in Section 2.1(b).

"Advisory Agreement" means the Advisory Agreement by and between the Company and Goode Partners LLC, dated as of the date hereof.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, to the extent a limited partner of Goode Partners Consumer Fund I, L.P. which is an institutional investment bank not controlling, controlled by or under common control with Goode Partners, LLC or any of its officers, managers, members, equity owners, employees, contractors or agents (such limited partner being referred to as an "Unrelated Investment Bank") would otherwise constitute an Affiliate of Goode Partners Consumer Fund I, L.P. pursuant to the foregoing definition, only the asset management division or entity of the Unrelated Investment Bank that is a limited partner of Goode Partners Consumer Fund I, L.P., and no other Affiliate of or other division, unit or entity within such Unrelated Investment Bank will be deemed an Affiliate of Goode Partners Consumer Fund I, L.P. for purposes of this Agreement.

"Agreement" means this Amended and Restated Stockholders Agreement, any amendments hereto, and any Exhibits, schedules, and attachments hereto, which are specifically incorporated herein by this reference.

"Arbitrator" has the meaning specified in Section 6.11(b).

"Board" means the board of directors of the Company.

"Board Observers" has the meaning specified in Section 5.1(c).

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York or Austin, Texas are authorized or required by Law to close.

"Bylaws" means the bylaws of the Company, as may be amended from time to time.

"Capital Stock" means (a) with respect to any Person that is a corporation, any and all shares, interests, participation or other equivalents (however designated and whether or not voting) of corporate stock, including the common stock of such Person and (b) with respect to any Person that is not a corporation, any and all partnership or other equity interests of such Person.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on May 4, 2010, including any preferred stock designations, as the same may be amended from time to time.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the common stock, par value $0.01 per share, of the Company.

"Common Value" has the meaning specified in Section 2.5(b)(iv).

"Company" has the meaning specified in the Preamble.

"Company Accountants" means the nationally recognized certified public accounting firm engaged by the Company at the time of any calculation or report required to be made by the Company Accountants under this Agreement.

"Confidential Information" means all intellectual property, documents, financial statements, records, business plans, reports and other information of whatever kind or nature, which has value to the Company, or which is treated by the Company as confidential and regardless of whether such information is marked "confidential," except (i) such information that is or becomes generally available to the public through no action of the party (including its limited partners, representatives, agents and Affiliates) to which such information was furnished, or (ii) is or becomes available to the party to which it was furnished on a nonconfidential basis from a source, other than from the Company, its Affiliates or representatives, which the receiving party believes, after reasonable inquiry, was not prohibited from so disclosing such information by a contractual, legal or fiduciary obligation.

"Co-Selling Stockholder" has the meaning specified in Section 2.3(c).

"Demand Registration" has the meaning specified in Section 3.1(c).

"Demand Seller" has the meaning specified in Section 3.1(a).

"Director" means a member of the Board.

"Dispute" has the meaning specified in Section 6.11.

"Disqualified Drag-Along Participant" means (A) Goode Partners, LLC, Goode Partners Consumer Fund I, L.P., the Goode Direct Investor, the JPM Direct Investors, or any Series A Holder, (B) any Affiliate(s) of any of the Persons described in clause (A) above, or (C) any of the officers, directors, stockholders, employees, agents or representatives of any of the Persons described in clauses (A) and/or (B) above; provided, however, that in no event will Clint Shackelford or any of his Affiliates be deemed a "Disqualified Drag-Along Participant".

"Drag-Along Closing Date" has the meaning specified in Section 2.4(d).

"Drag-Along Disposition" has the meaning specified in Section 2.4(a).

"Drag-Along Notice" has the meaning specified in Section 2.4(a).

"Drag-Along Right" has the meaning specified in Section 2.4(a).

"Employment Agreements" has the meaning specified in Section 5.5.

"Duly Endorsed" means duly endorsed in blank by the Person or Persons in whose name a certificate representing a security is registered or accompanied by a duly executed instrument of assignment separate from the certificate.

"Escrow Agent" means any third party mutually agreed upon by the Stockholders for the purpose of holding in escrow certain funds or other items in the manner provided in this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Notice" has the meaning specified in Section 2.3(b).

"First Offer Transaction" has the meaning specified in Section 2.8.

"First Offer Transaction Notice" has the meaning specified in Section 2.8.

"First Offer Transaction Proposal" has the meaning specified in Section 2.8.

"Fully-Diluted Basis" means, with reference to a percentage of Capital Stock, shares of such Capital Stock, including such shares issuable upon exercise of rights to acquire Capital Stock (whether any such right is exercisable immediately or only with the passage of time) pursuant to any arrangement or understanding or the exercise of conversion rights, exchange rights, other rights, warranties, options (including options held by employees of the Company) or otherwise.

"Goode" has the meaning specified in the Preamble.

"Goode Demand" has the meaning specified in Section 3.1(a).

"Goode Direct Investor" has the meaning specified in the Preamble.

"Goode Holder" means (i) Goode (or its successors), (ii) the Goode Direct Investor, (iii) the JPM Direct Investors, (iv) any Permitted Transferee of Goode or (v) any other Transferee of Goode (in the case of this clause (v) only after compliance with Sections 2.3. 2.4 and 2.8 of this Agreement, as applicable); provided, however, that any right or action hereunder that may be exercised or taken by, or that is required to be exercised or taken by, Goode and its Permitted Transferees in respect of the Securities that they own will be taken on their behalf by Goode as their representative.

"Initial Public Offering" means the first Qualified Public Offering of the Company.

"IRR" means the annual rate of return to such holder in respect of its investment of the aggregate purchase price for such share of Series X Preferred Stock, calculated using the following Microsoft Office Excel 2003 function: IRR = xirr(CashFlows,CashFlowDates). For purposes of the preceding sentence: CashFlows include (a) such holder's initial investment of the aggregate purchase price per share of Series X Preferred Stock, designated as a negative number and (b) any distributions received on such share of Series X Preferred Stock and other proceeds from the sale of each share (including the amount of any accrued and unpaid dividends declared on the Series X Preferred Stock), designated as positive numbers. CashFlows will not include any amounts paid or payable to affiliates of any such holder pursuant to any management or advisory agreement between the Company and such holder. Each CashFlowDate is the date upon which such CashFlows event (i.e., such initial investment, distribution or proceed) occurred. Attached as Exhibit A is an example calculation of IRR.

"JPM Direct Investors" has the meaning specified in the Preamble.

"Key Man Insurance" has the meaning set forth in Section 5.10.

"Management Demand" has the meaning specified in Section 3.1(a).

"Management Stockholder Group" means the Young/Zapp Entity, Steve Hislop, Frank Biller, and the Optionholders, or their Permitted Transferees (other than a Goode Holder).

"Maximum Offering Size" has the meaning specified in Section 3.1(g).

"New Securities" means any Capital Stock and any rights, options, warrants to purchase Capital Stock and securities of any type which are, or may become, convertible, or exchangeable for, Capital Stock, that is not issued and outstanding on the date hereof; provided, however, that "New Securities" does not include the following: (i) shares of Common Stock issued upon conversion of the Series X Stock, the Series A Stock or the Series B Stock in accordance with the provisions of the Certificate of Incorporation, (ii) securities issued pursuant to the Stock Option Plan (provided such securities are not issued to any Goode Holder or its Affiliates), (iii) securities issued upon the exercise of any Option granted pursuant to the Stock Option Plan, (iv) securities issued (A) in connection with the acquisition of another business entity by the Company, whether by merger, business combination, joint venture, purchase of all or substantially all of the assets of such entity or otherwise (provided such securities are not issued to any Goode Holder or its Affiliates) or (B) in connection with any lending, financing or leasing arrangement approved by the Board (provided such securities are not issued to any Goode Holder or its Affiliates), (v) securities issued as a result of any stock split, dividend, distribution, reclassification or reorganization of the Company's equity securities, or (vi) any securities issued in connection with the Initial Public Offering.

"Nominee" has the meaning specified in Section 5.3(a).

"Officer" means any officer of the Company.

"Options" has the meaning specified in Recital F.

"Option Shares" has the meaning specified in Recital F.

"Optionholder" means each member of management, other key employee, consultant or advisor of or to the Company (other than Michael Young, John Zapp and any Goode Holder or its Affiliates) listed on Exhibit B hereto who have been granted Option(s) pursuant to the Stock Option Plan or other member of management, other key employee, consultant or advisor of or to the Company (other than Michael Young, John Zapp and any Goode Holder or its Affiliates) designated after the date hereof by the Company to be an Optionholder, who is granted Option(s) pursuant to the Stock Option Plan and which Optionholder becomes bound by and subject to this Agreement in accordance with Section 2.1(b). For the avoidance of doubt, an Optionholder will continue to be deemed an Optionholder and part of the Management Stockholder Group for purposes of this Agreement after exercising such Options and owning Common Stock of the Company.

"Payment Default" has the meaning specified in Section 5.5.

"Permitted Transferee" means, (A) with respect to the Young/Zapp Entity, (i) Michael Young or John Zapp, (ii) any spouse or lineal descendant of Michael Young or John Zapp or any limited liability company, trust or partnership for the benefit of Michael Young or John Zapp or his spouse or lineal descendants, (iii) a Goode Holder or any of its Affiliates, or (iv) any other Person approved by a Goode Holder, (B) with respect to any member of the Management Stockholder Group other than the Young/Zapp Entity, (i) any spouse or lineal descendant of such Person or any trust or partnership for the benefit of such Person or his or her spouse or lineal descendants, (ii) any other member of the Management Stockholder Group, (iii) any Goode Holder or any of its Affiliates, and (iv) any other Person approved by a Goode Holder, and (C) with respect to a Goode Holder, (i) any Affiliate of such Goode Holder or (ii) any limited partner of Goode Partners Consumer Fund I, L.P. or the JPM Direct Investors or (iii) any partners or members of any member of a Goode Holder.

"Person" means an individual, corporation, partnership, trust, association, limited liability company or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Piggy-Back Registration" has the meaning specified in Section 3.2(a).

"Preference Value" has the meaning specified in Section 2.5(b)(ii).

"Proposed Drag-Along Transferee" has the meaning specified in Section 2.4(a).

"Proposed Tag-Along Transferee" has the meaning specified in Section 2.3(a).

"Public Offering" means any primary or secondary public offering of equity securities of the Company pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any successor or similar form.

"Purchase Agreement" means that certain Asset Purchase Agreement, dated as of November 7, 2006, by and among the Company, Michael Young, John Zapp and the selling entities named therein.

"Qualified Public Offering" means any Public Offering that generates aggregate net proceeds after commissions, discounts and all other costs and expenses incurred in connection therewith, of not less than $25.0 million.

"Registering Stockholder" has the meaning specified in Section 4.1.

"Registrable Securities" means shares of Common Stock issued or issuable upon conversion or exercise of (a) Series X Stock, (b) Series A Stock, (c) Series B Stock, (d) Options held by Optionholders or (e) any Successor Shares; provided that such securities will cease to be Registrable Securities when a registration statement relating to such securities has been declared effective by the Commission and such securities have been disposed of pursuant to such effective registration statement or when such securities may be sold without registration pursuant to Rule 144.

"Registration Expenses" means all (i) registration and filing fees with the Commission, (ii) fees and expenses of compliance with state securities or blue sky laws (including reasonable fees and disbursements of a qualified independent underwriter, if any, counsel in connection therewith and the reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) fees and expenses of counsel and independent public accountants for the Company, (v) fees and expenses of any additional experts retained by the Company in connection with such registration, (vi) fees and expenses of listing the Registrable Securities, if any, (vii) rating agency fees, (viii) transfer taxes, and (ix) reasonable fees and expenses of one counsel for the selling Stockholders. The parties understand and agree that Registration Expenses do not include underwriting fees, discounts or commissions attributable to the sale of Registrable Securities.

"Regulation D" means Regulation D under the Securities Act.

"Rule 144" means Rule 144 under the Securities Act, as such rule may be amended from time to time.

"Rule 145" means Rule 145 under the Securities Act, as amended from time to time.

"Securities" means shares of Series X Stock, Series A Stock, Series B Stock, Common Stock and any Successor Shares.

"Securities Act" means the Securities Act of 1933, as amended.

"Series A Directors" or "Series A Director" has the meaning specified in Section 5.1(a).

"Series A Holder" means any Person who holds any Series A Stock (or Successor Shares thereto).

"Series A Stock" means the Series A Preferred Stock, par value $0.01 per share, of the Company.

"Series B Directors" has the meaning specified in Section 5.1(a).

"Series B Stock" means the Series B Preferred Stock, par value $0.01 per share, of the Company.

"Series X Stock" means the Series X Preferred Stock, par value $0.01 per share, of the Company.

"Series X Value" has the meaning specified in Section 2.5(b)(i).

"Stock Option Plan" means the Chuy's Holdings, Inc. 2006 Stock Option Plan, as the same may hereafter be amended, or any other stock option plan in effect from time to time.

"Stockholders" means, collectively, each Goode Holder, the Management Stockholder Group, and their respective Permitted Transferees, and with respect to any Goode Holder, any Transferee of such Goode Holder (after compliance with Sections 2.3, 2.4 and 2.8 of this Agreement, as applicable).

"Subsidiary" means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding shares or other equity interests as to have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein will be a reference to Subsidiaries of the Company.

"Successor Shares" means any securities issued or issuable in consideration of exchange for or otherwise in respect of, any shares of Series X Stock, Series A Stock, Series B Stock or Common Stock or successor shares to the foregoing in any merger, consolidation, recapitalization, reorganization or other transaction or by reason of a stock dividend, stock split or other similar transaction.

"Tag-Along Notice" has the meaning specified in Section 2.3(a).

"Tag-Along Offer" has the meaning specified in Section 2.3(a).

"Tag-Along Period" has the meaning specified in Section 2.3(e).

"Tag-Along Ratio" has the meaning specified in Section 2.3(d).

"Target Value Payments" has the meaning specified in Section 2.5(b)(iv).

"Transfer" has the meaning specified in Section 2.1(c).

"Transferee" means any Person to whom any Stockholder Transfers any Securities other than in a sale pursuant to an effective registration statement or without registration pursuant to Rule 144 or Rule 145.

"Underwriter" means a securities dealer who purchases any Registrable Securities as a principal in connection with a distribution of such Registrable Securities and not as part of such dealer's market-making activities, which underwriter will be selected by the Board.

"Young/Zapp Board Observers" has the meaning specified in Section 5.1(d).

"Young/Zapp Entity" has the meaning specified in the Preamble and includes any Permitted Transferee thereof.

II. RIGHTS AND OBLIGATIONS WITH RESPECT TO TRANSFER

2.1 Transfers.

(a) No Stockholder will make any Transfer or attempt to make any Transfer in violation of the provisions set forth in this Article II.

(b) No Transfer by a Stockholder will be valid unless, in addition to complying with any other applicable requirements of this Article II, (i) the Transferee agrees in writing (with the joinder of his or her spouse, if residing in a community property state) by executing a counterpart of this Agreement, in a form approved by the Company, prior to the Transfer, to be bound by and subject to the terms and conditions of this Agreement on the same basis as the Stockholder from whom the Transferee acquired the Securities was bound (an "Addendum Agreement"); (ii) the Transfer complies in all respects with applicable state and federal securities laws; and (iii) both the Stockholder whose Securities are the subject of the Transfer and the Transferee execute and deliver to the Company such documents as the Company may deem to be necessary or appropriate in order to evidence compliance with item (ii) above. In addition, the Company will require, as a condition to any issuance of Option Shares to an Optionholder, that the Optionholder (with the joinder of his/her spouse, if residing in a community property state) execute an Addendum Agreement agreeing to be bound by and subject to the terms and conditions of this Agreement. For these purposes, all of the Stockholders (and their respective spouses, if residing in a community property state) hereby appoint the Company as their agent and attorney to execute such an Addendum Agreement on their behalf and expressly bind themselves to such document by the Company's execution of such document without further action on their part.

(c) Until the earlier of (i) November 7, 2011 and (ii) the second anniversary of the Initial Public Offering, no member of the Management Stockholder Group may, directly or indirectly (including by way of merger or consolidation), offer, sell, assign, grant a participation in, pledge, encumber or otherwise transfer ("Transfer") any of such member's shares of Series X Stock, Series B Stock, Common Stock or Successor Shares without the prior written consent of Goode (or if Goode is no longer a holder of Series A Stock (or Successor Shares) then a Goode Holder), other than a Transfer (i) to a Goode Holder, (ii) to a Permitted Transferee of such member of the Management Stockholder Group, (iii) pursuant to the provisions of this Article II or Article III, (iv) without registration pursuant to Rule 144 after a Qualified Public Offering, or (v) in connection with the sale of the entire Company (whether by merger, stock purchase, asset purchase or otherwise).

2.2 Restrictive Legend. (a) For so long as the transfer restrictions set forth in Article II remain in effect with respect to Securities of a Stockholder, each certificate representing Securities owned by any such Stockholder will (unless otherwise permitted by the provisions of Section 2.2(b)) include the following legend:

"THE OFFER OR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THAT CERTAIN STOCKHOLDERS AGREEMENT, DATED AS OF NOVEMBER 7, 2006, AS AMENDED AND RESTATED ON MAY 4, 2010, AMONG CHUY'S HOLDINGS, INC. (THE "COMPANY") AND CERTAIN OTHER PARTIES THERETO, A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY."

(b) Without limiting the generality or effect of the transfer restrictions contained in this Article II, any Stockholder may, upon providing evidence, including an opinion of counsel reasonably satisfactory to the Company, that such Securities either are not "restricted securities" (as defined in Rule 144) or may be sold pursuant to Rule 144, exchange the certificate representing such Securities for a new certificate that does not bear the first sentence of the legend set forth in Section 2.2(a).

2.3 Tag-Along Rights. (a) If any Goode Holder proposes to Transfer (other than pursuant to a Public Offering, to a Permitted Transferee or to a member of the Management Stockholder Group) any of such Goode Holder's Securities to any Person ("Proposed Tag-Along Transferee") (such proposal being a "Tag-Along Offer"), the Goode Holder will provide written notice of such Tag-Along Offer (the "Tag-Along Notice") to the Company and each of the other Stockholders in the manner set forth in

this Section 2.3. Such Tag-Along Notice will identify the Proposed Tag-Along Transferee, the number of Securities proposed to be purchased from the Goode Holder (or if greater, the number of Securities such Proposed Tag-Along Transferee is willing to purchase), the Tag-Along Ratio (as defined in Section 2.3(d)), the consideration offered and any other material terms and conditions of the Tag-Along Offer. If the offer price consists in part or in whole of consideration other than cash, the Goode Holder will provide such information, to the extent reasonably available to the Goode Holder, relating to such consideration as such other Stockholders may reasonably request in order to evaluate such non-cash consideration.

(b) Each such Stockholder other than the Goode Holder proposing the Transfer will have the right, exercisable as set forth below, to accept the Tag-Along Offer for up to the number of Securities determined pursuant to Section 2.3(d). Each such other Stockholder may elect to exercise such right, within 15 Business Days after receipt of the Tag-Along Notice from the Goode Holder, by providing the Goode Holder with an irrevocable written notice specifying the number of such Securities such Stockholder agrees to Transfer (the "Exercise Notice"), which number will not exceed the number as contemplated above, and will simultaneously provide a copy of such Exercise Notice to the Company. If any such other Stockholder does not accept the Tag Along Offer within 15 Business Days following receipt of the Tag-Along Notice by delivering an Exercise Notice in accordance with this Section 2.3(b), such Stockholder will be deemed to have waived any and all rights under this Section 2.3 with respect to the Transfer of Securities pursuant to such Tag-Along Offer. Delivery of the Exercise Notice by a Stockholder will constitute an irrevocable acceptance of the Tag-Along Offer by such Stockholder for all of the Securities included in such Exercise Notice (or such lesser number of Securities as determined in accordance with Section 2.3(d)) at the price and on the terms and conditions specified as being offered to the Goode Holder in the Tag-Along Offer.

(c) Not less than ten Business Days prior to the proposed date of any sale pursuant to a Tag-Along Offer, the Goode Holder will notify each Stockholder that has accepted the Tag-Along Offer (each, a "Co-Selling Stockholder") of such proposed date. Not less than two Business Days prior to such proposed date, the Co-Selling Stockholders will deliver to an Escrow Agent (the costs of which Escrow Agent will be borne by the Goode Holder and the Co-Selling Stockholders in proportion to the Securities Transferred by each such Stockholder in connection with such Tag-Along Offer) the Duly Endorsed certificate or certificates representing the Securities to be Transferred by the Co-Selling Stockholders and all other documents reasonably required to be executed in connection with such Tag-Along Offer.

(d) Each Co-Selling Stockholder will have the right to Transfer (and the Goode Holder will, to the extent necessary, reduce the amount or number of Securities to be sold by the Goode Holder by a corresponding amount), pursuant to the Tag-Along Offer, a number of Securities that is equal to the product of (i) the total number of Securities offered to be purchased as set forth in such Tag-Along Offer and (ii) a fraction (the "Tag-Along Ratio"), the numerator of which will be the aggregate number of Securities held by such Co-Selling Stockholder and the denominator of which will be the aggregate number of Securities held by the Goode Holder and all other Co-Selling Stockholders.

(e) The Goode Holder will have 90 days from its mailing of the Tag-Along Notice to the other Stockholders (the "Tag-Along Period") in which to consummate the Transfer of Securities owned by such Goode Holder and the Co-Selling Stockholders as contemplated by the Tag-Along Offer at the price and on the terms contained in such notice; provided, however, that the material terms contained in such notice may only be modified during the Tag-Along Period to the extent mutually agreed in writing by the Goode Holder and the Co-Selling Stockholders. If, at the end of the Tag-Along Period, the Goode Holder has not completed such Transfer (for any reason other than the failure of a Co-Selling Stockholder to perform such Co-Selling Stockholder's obligations under this Section 2.3), the right of the Goode Holder to effect such Transfer will terminate (if the Goode Holder is otherwise subject to restrictions on Transfer pursuant to this Agreement), and the Securities of such Goode Holder (and Co-Selling Stockholders) subject to such proposed Transfer will again be subject to all applicable restrictions on sale or other disposition and other provisions contained in this Agreement.

(f) Promptly after the consummation of the Transfer of Securities pursuant to the Tag-Along Offer, the Escrow Agent will notify the Co-Selling Stockholders thereof and will remit to each Co-Selling Stockholder the sales price attributable to the Securities of such Co-Selling Stockholder sold pursuant thereto in accordance with the terms of Section 2.5 hereof after deducting from such sales price such Co-Selling Stockholder's pro rata share (based on the total proceeds allocable to such Co-Selling Stockholder from the sale pursuant to Section 2.5) of the total costs and expenses (including attorneys' fees) incurred by the Goode Holder and all Co-Selling Stockholders in connection with the consummation of the transactions described in the relevant Tag-Along Notice.

(g) Notwithstanding anything contained in this Section 2.3, there will be no liability on the part of the Goode Holder to any other Stockholder (including any Co-Selling Stockholder) if the Transfer of Securities pursuant to this Section 2.3 is not consummated for whatever reason. The determination of whether or not to effect a Transfer of Securities pursuant to this Section 2.3 is in the sole and absolute discretion of the Goode Holder.

(h) If any Co-Selling Stockholder fails to close any transaction as to which it has delivered an Exercise Notice then, without limiting any other rights or obligations of the parties hereto, such Co-Selling Stockholder will no longer have any rights (but will be subject to all limitations and obligations) under this Section 2.3.

(i) The Stockholders other than Goode Holder will cooperate in effecting any Transfer in connection with a Tag-Along Offer in which any of them participates, and, if requested by the Proposed Tag-Along Transferee making the Tag-Along Offer, will enter into agreements with the Proposed Tag-Along Transferee containing terms and conditions relating to the Tag-Along Offer that are the same as the terms and conditions applicable to the Goode Holder in connection with the Tag-Along Offer and in accordance with the terms of the proposed transaction as set forth in the Tag-Along Notice.

2.4 Drag-Along Rights. (a) In the event Goode desires to accept a bona fide, written offer from a Person who is not a Disqualified Drag-Along Participant (a "Proposed Drag-Along Transferee") for the Transfer (pursuant to an arm's length transaction) of all of the Series A Stock and Series X Stock held by Goode and such Transfer would not result in Goode or any Affiliate of Goode receiving any brokerage, finders, consulting or other similar fees in connection with the transactions contemplated by such Transfer (a "Drag-Along Disposition"), Goode will have the right (a "Drag-Along Right") to require each other Stockholder to participate in such Drag-Along Disposition with such Proposed Drag-Along Transferee by selling its Securities on the same terms and conditions as are set forth in the written notice provided to each of the other Stockholders given not less than 20 days prior to the closing of the transactions contemplated by the proposed Drag-Along Disposition in accordance with Section 2.4(b) (the "Drag-Along Notice"). Each Stockholder, including Goode, transferring Securities pursuant to this Section 2.4 will pay its pro rata share (based on the total proceeds allocable to such Stockholder from the sale pursuant to Section 2.5) of the expenses incurred in connection with such Drag-Along Disposition. Goode may only transfer and assign its rights and obligations under this Section 2.4 if such transfer and assignment covers all of its rights and obligations under this Section 2.4 and such transfer and assignment is made to a Person who, at the same time, acquires a majority of the Series A Stock of the Company held by Goode on the date hereof.

(b) Drag-Along Notice. The Drag-Along Notice will set forth: (i) the name and address of the Proposed Drag-Along Transferee, (ii) the proposed terms and conditions of the Drag-Along Disposition, and (iii) the allocation of the proposed purchase price as among the Stockholders with respect to each of their holdings of Securities, it being understood and agreed that such proposed purchase price and proposed terms and conditions may change in the course of negotiations and Goode will use reasonable efforts to keep the Stockholders apprised of any such changes.

(c) Cooperation of Other Stockholders. The Stockholders other than Goode will cooperate in effecting any Drag-Along Disposition in which any of them participates, and, if requested by the Proposed Drag-Along Transferee, will enter into agreements with the Proposed Drag-Along Transferee containing terms and conditions relating to the Drag-Along Disposition that are the same as the terms and conditions applicable to Goode in connection with the Drag-Along Disposition; provided, however, that the representations and indemnification obligations of each such other Stockholder in any such agreements will be limited to such Stockholder's title to its Securities and its ability to convey title thereto free and clear of any liens, encumbrances or adverse claims; and provided further, that while each of Michael Young and John Zapp will be required to continue to perform his obligations under and continue to be subject to the restrictions set forth in the Transaction Agreements (as defined in the Purchase Agreement) in accordance with the terms thereof, in no event will Michael Young and/or John Zapp be required to enter into any additional covenants restricting his ability to hire or solicit any

employee or former employee of the Company or his ability to compete with the business of the Company; and provided, further, however, that no such other Stockholder will have any liability to the Proposed Drag-Along Transferee with respect to any claims for indemnification in excess of the net proceeds received by such Stockholder in connection with such Drag-Along Disposition or on any basis other than several liability allocated ratably based on such Stockholder's stock ownership. Notwithstanding anything in this Agreement to the contrary, all Stockholders will participate in all escrow arrangements, promissory notes, holdbacks, reserves or escrows established by Goode, contingent payments, working capital adjustments and any other similar arrangements ratably on the basis of their respective percentage holding of shares and will be entitled to receive its pro rata portion of such sums from any such escrow arrangements, promissory notes, holdbacks, reserves or escrows, contingent payments, working capital adjustments and other similar arrangements if and when Goode receives such payments.

(d) Closing. Within ten Business Days after the giving of Drag Along Notices pursuant to Section 2.4(a), Goode will notify the other Stockholders of the date Goode has set for consummation of the Transfers of the shares to the Proposed Drag-Along Transferee pursuant to Section 2.4 (the "Drag-Along Closing Date"). The Drag-Along Closing Date will be as promptly as practicable after the date Goode gives notice thereof. On the Drag-Along Closing Date, in addition to any other terms of Transfer as provided in the Drag-Along Notice, Goode and each other Stockholder will deliver to the Proposed Drag-Along Transferee (i) the certificates representing the shares of Securities to be Transferred which, upon delivery to the Proposed Drag-Along Transferee, will vest in the Proposed Drag-Along Transferee good and valid title to the shares to be Transferred, free and clear of all debts and encumbrances, except those created by this Stockholders Agreement and (ii) stock powers Duly Endorsed, against delivery by the Proposed Drag-Along Transferee of all of the consideration, net of all expenses allocated pro rata amongst the Stockholders, to be received by each such Stockholder, as provided in the Drag-Along Notice. Upon notice of the consummation of the Transfers to the Proposed Drag-Along Transferee, the Secretary of the Company will also cause such Transfers to be reflected on the books of the Company.

2.5 Provisions Applicable to Tag-Along/Drag-Along Rights. Proceeds from any sale pursuant to Sections 2.3 or 2.4 will be distributed as follows:

(a) If the proceeds from any sale pursuant to Sections 2.3 or 2.4 are sufficient to return to each Stockholder an amount equal to or greater than the applicable Target Value Payments (as defined below) in full, after assuming for this purpose (x) Preferred Stock sold in the sale is converted into Common Stock and (y) each Stockholder selling Securities receives its pro rata portion of the proceeds (based on the total shares of Securities sold), then each Stockholder selling Securities will be entitled to receive an amount per share of Securities sold equal to its pro rata portion of all proceeds from such sale (based on the total shares of Securities sold, with the Preferred Stock being treated on an as converted basis).

(b) If the proceeds from any sale pursuant to Sections 2.3 or 2.4 would not be sufficient to return to each Stockholder an amount equal to or greater than the applicable Target Value Payments in accordance with Section 2.5(a), then proceeds from any sale pursuant to Sections 2.3 or 2.4 will be distributed as follows:

(i) first, the holders of Series X Stock then outstanding will be entitled to be paid, for each share of Series X Stock sold in such transaction, an amount equal to such amount in US Dollars that would permit such holder to receive (i) $2.98, plus (ii) a 20% IRR (as defined below) for each share of Series X Preferred Stock then held by them, plus (iii) the amount of any accrued and unpaid dividends declared on the Series X Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares, the "Series X Value"); provided, that such net proceeds will be distributed pro rata among the holders of Series X Stock (based on the shares of Securities sold) if such net proceeds are not sufficient for each holder of Series X Stock to receive the Series X Value for each share of Series X Stock sold;

(ii) second, in the case of Section 2.3, the Goode Holders holding Series A Stock then outstanding, and in the case of Section 2.4, Goode's holding of Series A Stock then outstanding, will be entitled to be paid an amount equal to $1.00 per share (the "Preference Value") for each share of Series A Stock sold in such transaction by such holder of Series A Stock; provided, that such net proceeds will be distributed pro rata among the holders of Series A Stock (based on the shares of Securities sold) if such net proceeds are not sufficient for each holders of Series A Stock to receive the Preference Value for each share of Series A Stock sold; provided further, that for purposes of calculating the proceeds available to satisfy the Preference Value to be received, in the case of Section 2.3, by the Goode Holders, and in the case of Section 2.4, by Goode, under this Section 2.5(b)(ii), the Preference Value for each such share of Series A Stock will be reduced to take into account the amount of cash and value of other property, rights and securities received in the form of any dividends or distributions (whether in liquidation or otherwise) previously paid by the Company in respect of such share of Series A Stock;

(iii) third, the holders of Series B Stock then outstanding will be entitled to be paid an amount equal to the Preference Value for each share of Series B Stock sold in such transaction by such holder of Series B Stock, provided, that such net proceeds will be distributed pro rata among the holders of Series B Stock (based on the shares of Securities sold) if such net proceeds are not sufficient for each holder of Series B Stock to receive the Preference Value for each share of Series B Stock sold; provided further, that for purposes of calculating the proceeds available to satisfy the Preference Value received by the holders of Series B Stock under this Section 2.5(b)(iii), the Preference Value for each such share of Series B Stock will be reduced to take into account the amount of cash and value of other property, rights and securities received in the form of any dividends or distributions (whether in liquidation or otherwise) previously paid by the Company in respect of such share of Series B Stock;

(iv) fourth, the holders of Common Stock then outstanding will be entitled to be paid an amount equal to the original purchase price paid, if any, per share of Common Stock held (the "Common Value" and, together with the Series X Value and the Preference Value (with respect to both Series A Stock and Series B Stock), the "Target Value Payments") for each share of Common Stock sold in such transaction by such holder of Common Stock, provided, that such net proceeds will be distributed pro rata among the holders of Common Stock (based on the shares of Securities sold) if such net proceeds are not sufficient for each holder of Common Stock to receive their Common Value for each share of Common Stock sold; provided further, that for purposes of calculating the proceeds available to satisfy the Common Value received by the holders of Common Stock under this Section 2.5(b)(iv), the Common Value for each such share of Common Stock will be reduced to take into account the amount of cash and value of other property, rights and securities received in the form of any dividends or distributions (whether in liquidation or otherwise) previously paid by the Company in respect of such share of Common Stock; and

(v) finally, each Stockholder selling Securities will be entitled to receive an amount per share of Securities sold equal to its pro rata portion (based on the shares of Securities sold, with the Preferred Stock being treated on an as converted basis) of the remaining net proceeds, if any.

(c) In the event the consideration to be paid for Securities in a proposed sale pursuant to Section 2.3 or 2.4 includes any securities, and the receipt thereof by a particular Stockholder would require under applicable securities law (i) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (ii) the provision of information pursuant to Regulation D of the Securities Act or comparable securities laws regarding the Company, the securities or the issuer to the Stockholder, the provision of which would impose a substantial burden or expense on the Company, the Goode Holder or Goode, as applicable, will have the right, but not the obligation, to cause to be paid to such Stockholder in lieu of such securities an amount in cash equal to the fair market value of such securities as of the date of the issuance of securities in exchange for Securities. The value of such securities will be determined in good faith by the Board of Directors of the Company with notice of such determination to be provided to each such Stockholder at least 30 days prior to the date of the proposed distribution of such cash and, if the holders of a majority of the shares held by all such Stockholders notify the Company of its objection to such determination within the 30-day period following receipt of such notice, the final determination of the value of such property, rights or securities will be determined by an independent third party appraiser jointly appointed by the Goode Holder or Goode (as applicable) and the Young/Zapp Entity, with the expenses of such appraiser to be paid by the Stockholders, jointly and severally.

(d) The provisions of Sections 2.3 and 2.4 will apply to any Transfer for value to any Proposed Tag-Along Transferee or Proposed Drag-Along Transferee (as applicable), including by way of merger, consolidation, recapitalization or other sale transaction.

(e) The provisions of Sections 2.3, 2.4 and this Section 2.5 will terminate upon the first to occur of the following: (a) immediately after the Initial Public Offering and (b) the voluntary conversion of all of the outstanding Series X Stock, Series A Stock and Series B Stock.

(f) To the extent any Option is outstanding at the time of a transaction governed by this Section, the consideration, or proceeds, owing in respect of such Option will be determined net of the exercise price of such Option.

(g) Any conversion of Preferred Stock into Common Stock contemplated by this Section 2.5 will be done in accordance with the Company's Certificate of Incorporation and will be adjusted pursuant to the terms of Section B.7 of Article Fourth thereof.

2.6 Improper Transfer. (a) Any attempt to Transfer any Securities not in compliance with this Agreement will be null and void and of no force or effect and neither the Company nor any transfer agent of the Company will register, or otherwise recognize in the Company's records, any such improper Transfer.

(b) No Stockholder will enter into any transaction or series of transactions for the purpose or with the effect of, directly or indirectly, denying or impairing the rights or obligations of any Person under this Agreement, and any such transaction will be null and void and, to the extent that such transaction requires any action by an Company, it will not be registered or otherwise recognized in the Company's records or otherwise.

2.7 Certain Participation Rights. Notwithstanding any other provision hereof, the Company will not issue any New Securities without offering by notice given to all Stockholders (other than the Optionholders) concurrently with such issuance, the right to purchase such Stockholder's (other than the Optionholders) pro rata share of such New Securities on the same terms as such New Securities are to be issued. Any Stockholder that does not, within 30 days after receiving any notice referred to in the preceding sentence, complete the purchase of such Stockholder's (other than the Optionholders) pro rata share of the New Securities referenced in such notice will be deemed to have waived any and all rights under this Section 2.7 to purchase such New Securities. The procedures for the acceptance of any such offer and the closing of any such issuance will be determined by the Board. For purposes of this Section 2.7, a Stockholder's pro rata share of New Securities is the ratio of (a) the sum of the total number of shares of Common Stock owned by such Stockholder immediately prior to the issuance of the New Securities (assuming full conversion of all outstanding Series X Stock, Series A Stock and Series B Stock, and the exercise of all outstanding rights, options and warrants to purchase Common Stock, held by such Stockholder), to (b) the total number of shares of Common Stock issued and outstanding immediately prior to

the issuance of the New Securities (assuming full conversion of all outstanding Series X Stock, Series A Stock and Series B Stock, and the exercise of all outstanding rights, options and warrants to purchase Common Stock, held by all Stockholders). The Young/Zapp Entity will have the right to assign its rights and obligations under this Section 2.8 to an entity which is owned at least 66 2/3 percent by Michael Young and/or John Zapp.

2.8 Right of First Offer. In the event that (a) a Goode Holder desires to sell or offer for sale, any Series X Stock or Series A Stock owned by the Goode Holder, (b) the Company desires to sell or offer for sale a substantial portion of its assets, (c) the Company desires to sell or offer for sale, or otherwise cause any Subsidiary to sell or offer for sale, a substantial portion of the assets of any Subsidiary (including Chuy's Opco, Inc.), (d) the Company desires to sell or offer for sale its shares or other equity securities in any Subsidiary (including Chuy's Opco, Inc.), (e) the Company desires to pursue a merger or similar corporate transaction that constitutes a sale, or (f) the Company desires to pursue, or otherwise cause any Subsidiary to pursue, a merger or similar corporate transaction involving any Subsidiary that constitutes a sale of the Subsidiary (each of (a), (b), (c), (d), (e) and (f), a "First Offer Transaction"), the Goode Holder or the Company, as applicable, will, prior to pursuing any such First Offer Transaction, notify the Young/Zapp Entity of its intention to pursue a First Offer Transaction (the "First Offer Transaction Notice"). The Young/Zapp Entity will have the right, but not the obligation, to submit a proposal to enter into a First Offer Transaction (the "First Offer Transaction Proposal") within 30 days following receipt of the First Offer Transaction Notice, which First Offer Transaction Proposal will include the price and other material terms the Young/Zapp Entity is prepared to offer. If the Goode Holder or the Company, as applicable, elects not to accept (or to cause any Subsidiary not to accept) the First Offer Transaction Proposal, Goode, the Company or the relevant Subsidiary, as applicable, may enter into a First Offer Transaction with any Person for any price that is higher than the price set forth in the First Offer Transaction Proposal; provided, that such First Offer Transaction is consummated within nine months following the date of the First Offer Transaction Proposal, and if not, any subsequent First Offer Transaction will be subject to the provisions set forth in this Section 2.8. Nothing in this Section 2.8 will require the Company, the Goode Holder or the relevant Subsidiary, as applicable, to enter into any First Offer Transaction under any circumstances. The provisions of this Section 2.8 will terminate and the Young/Zapp Entity will lose any rights provided under this Section 2.8 immediately upon any failure by the Young/Zapp Entity to consummate any First Offer Transaction following acceptance by the Company, the relevant Subsidiary or the Goode Holder, as applicable, of any First Offer Transaction Proposal. The Young/Zapp Entity will have the right to assign its rights and obligations under this Section 2.8 to an entity which is owned at least 66 2/3 percent by Michael Young and/or John Zapp.

III. REGISTRATION RIGHTS

3.1 Demand Registration. (a) At any time after the consummation of the Initial Public Offering, any Goode Holder may make written requests (each, a "Goode Demand") that the Company effect the registration under the Securities Act of the Goode Holder's Registrable Securities. Following the consummation of the Initial Public Offering and upon the earlier of (x) the second anniversary of the Initial Public Offering and (y) the six month anniversary of a Goode Demand, the Young/Zapp Entity may make one written request (the "Management Demand") that the Company effect the registration under the Securities Act of the Registrable Securities of those members of the Management Stockholder Group desiring to participate in the Management Demand, in the case of each of (i) and (ii) above, specifying the intended method of disposition thereof. Notwithstanding the foregoing, the Company will not be obligated to effect more than one registration of securities under the Securities Act pursuant to a Management Demand under this Section 3.1. Any party making a Goode Demand or a Management Demand, as applicable, will be deemed a "Demand Seller" for purposes of this Article III.

(b) At and after such time as the Company becomes qualified to file a registration statement on Form S-3 (or any equivalent successor form), any Demand Seller will have the right to make a written request that the Company effect the registration on Form S-3 (or any equivalent successor form) under and in accordance with the provisions of the Securities Act of such Demand Seller's Registrable Securities; provided, however, that the Company will not be obligated to file any registration statement on Form S-3 more than twice during any twelve-month period and; provided, further, that the Management Stockholder Group will only be entitled to one Management Demand pursuant to this Section 3.1.

(c) The Company will promptly give written notice of any registration requested under Section 3.1(a) or Section 3.1(b) (a "Demand Registration") at least 15 Business Days prior to the anticipated filing date of the registration statement relating to such Demand Registration to all other Stockholders, and thereupon will use its best efforts to effect, as expeditiously as possible, the registration under the Securities Act of the Registrable Securities then held by a Demand Seller that the Company has been so requested in writing by the Demand Seller to register.

Notwithstanding the foregoing, in the event of a request for a Demand Registration made by a Demand Seller, the Company may either (A) proceed with such Demand Registration pursuant to the provisions of this Section 3.1 or (B) proceed with a registered primary offering of Securities, in which case, the Demand Seller will have the rights set forth in Section 3.2 and such offering will not constitute a Demand Registration requested by such Stockholder pursuant to this Section 3.1. The Demand Seller requesting a registration under this Section 3.1 may, at any time prior to the filing date of the registration statement relating to such registration, revoke such request, without liability to any of the other Stockholders, by providing a written notice to the Company revoking such request, in which case such request, so revoked, will not be considered a Demand Registration; provided, that once the Demand Seller has revoked a Demand Registration pursuant to this sentence, such Demand Seller may not revoke any future Demand Registration requested by it pursuant to this Section 3.1.

(d) The Company will pay all Registration Expenses in connection with any Demand Registration. Each Stockholder will be responsible on a pro rata basis (based on the number of shares of Securities such Stockholder registered pursuant to a Demand Registration) for the payment of any discounts and/or commissions resulting from the engagement by such Stockholder or group of Stockholders, as the case may be, of underwriters or placement agents in connection with resales of Securities subject to any Demand Registration. The Company will have the sole right to choose the leading and any co-managing Underwriters for any Demand Registration.

(e) A registration requested pursuant to this Section 3.1 will not be deemed to have been effected unless the registration statement relating thereto (i) has become effective under the Securities Act and (ii) has remained effective for a period of at least 90 days (or such shorter period in which all Registrable Securities of the Stockholders included in such registration have actually been sold thereunder).

(f) In the event of a Demand Registration pursuant to a Goode Demand, each member of the Management Stockholder Group will have the right to sell such member's Registrable Securities on a pro rata basis with the Goode Holders' Registrable Securities in such offering.

(g) If a Demand Registration pursuant to a Management Demand involves an underwritten Public Offering and the managing Underwriter advises the Company that, in its view, the number of Securities requested to be included in such registration exceeds the largest number of shares of Securities which can be sold without having an adverse effect on such offering, including the price at which such shares of Securities can be sold (the "Maximum Offering Size"), the Company will include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, all Registrable Securities requested to be included in such registration by the Management Stockholder Group;

(ii) second, all Registrable Securities requested to be included in such registration by the Stockholders other than the Management Stockholder Group (allocated, if necessary, for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of their relative ownership); and

(iii) third, if, in connection with a Demand Registration, the Company also proposes to register securities, so much of such securities proposed to be registered by the Company as would not cause the Public Offering to exceed the Maximum Offering Size.

(h) If a Demand Registration pursuant to a Goode Demand involves an underwritten Public Offering and the managing Underwriter advises the Company that, in its view, the number of Securities requested to be included in such registration exceeds the Maximum Offering Size, the Company will include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, if, in connection with a Demand Registration, the Company also proposes to register securities, so much of such securities proposed to be registered by the Company as would not cause the Offering to exceed the Maximum Offering Size;

(ii) second, all Registrable Securities requested to be included in such registration by the Goode Holders and the Management Stockholder Group pursuant to this Section 3.1 (allocated, if necessary, for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of their relative ownership);

(iii) third, all Registrable Securities requested to be included in such registration by any other Stockholder pursuant to this Section 3.1 (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of their relative ownership); and

(i) The Company will have a one-time right to postpone registration pursuant to this Section 3.1 for a period not to exceed six months if the Board of Directors determines in good faith that owing to the business or market conditions or the business or financial condition of the Company it is inappropriate at such time to undertake a public offering of shares of Registrable Securities.

3.2 Piggy-Back Registration. (a) If the Company proposes to register any of its Securities under the Securities Act in order to effect a Public Offering, whether or not for sale for its own account, it will, each such time, give prompt written notice at least 15 Business Days prior to the anticipated filing date of the registration statement relating to such registration to each Stockholder, which notice will set forth such Stockholder's rights under this Section 3.2 and will, subject to the provisions of Section 3.2(b), offer such Stockholders the opportunity to include in such registration statement such number of Registrable Securities as each such Stockholders may request (a "Piggy-Back Registration"). Subject to the foregoing, upon the written request of any Stockholder made within ten days after the receipt of notice from the Company (which request will specify the number of Registrable Securities intended to be disposed of by such Stockholder and the intended method of disposition thereof), the Company will use its reasonable best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by such Stockholders to the extent required to permit the disposition of the Registrable Securities so to be registered; provided, however, that (A) if such registration involves an underwritten Public Offering, all such Stockholders requesting to be included in the Company's registration must sell their Registrable Securities to the Underwriters on substantially the same terms and conditions as apply to the Company and (B) if, at any time after giving written notice of its intention to register any Registrable Securities pursuant to this Section 3.2(a) and prior to the effective date of the registration statement filed in connection with such registration, the Company determines for any reason not to register such Registrable Securities for sale by the Company, the Company will give written notice to all such Stockholders and, thereupon, will be relieved of its obligation to register any Registrable Securities in connection with such registration (without prejudice, however, to rights of the Goode Holder under Section 3.1). No registration effected under this Section 3.2 will relieve the Company of its

obligations to effect a Demand Registration to the extent required by Section 3.1. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.2. Each Stockholder or group of Stockholders will be responsible on a pro rata basis (based on the number of shares of Registrable Securities of such Stockholder registered pursuant to a Piggy-Back Registration) for the payment of any discounts and/or commissions resulting from the engagement by such Stockholder or Stockholders, as the case may be, of underwriters or placement agents in connection with resales of Registrable Securities subject to any registration pursuant to this Section 3.2.

(b) If a registration pursuant to this Section 3.2 involves an underwritten Public Offering and the managing Underwriter advises the Company that, in its view, the number of shares of Registrable Securities that the Company and such Stockholders intend to include in such registration exceeds the Maximum Offering Size, the Company will include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, so much of the Registrable Securities proposed to be registered by the Company as would not cause the offering to exceed the Maximum Offering Size;

(ii) second, all Registrable Securities requested to be included in such registration by the Goode Holders or the Management Stockholder Group pursuant to this Section 3.2 (allocated, if necessary, for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of their relative ownership); and

(iii) third, all Registrable Securities requested to be included in such registration by any other Stockholder pursuant to this Section 3.2 (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of their relative ownership).

3.3 Holdback Agreements. In any registration of Registrable Securities in connection with an underwritten Public Offering, Goode and the other Stockholders will not effect any sale or distribution, including any sale pursuant to Rule 144 or any successor provision under the Securities Act, of any Securities, and not effect any sale or distribution of any stock convertible into or exchangeable or exercisable for any shares of Common Stock of the Company (in each case, other than as part of such Public Offering) during the 14 days prior to the effective date of such registration statement or during the period after such effective date equal to the lesser of (a) such period of time as is agreed between such managing Underwriter and the Company and (b) 180 days.

IV. REGISTRATION PROCEDURES

4.1 Filings; Information; Other. Whenever any Goode Holder or the Management Stockholder Group, as applicable (each, a "Registering Stockholder") requests that any Registrable Securities be registered pursuant to Section 3.1 or Section 3.2, the Company will use its reasonable best efforts to effect the registration of such Registrable Securities as promptly as is practicable, and in connection with any such request:

(a) The Company will as expeditiously as possible prepare and file with the Commission a registration statement on any form for which the Company then qualifies and which counsel for the Company deems appropriate and available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration statement to become and remain effective for a period of not less than 180 days.

(b) The Company will, if requested, prior to filing such registration statement or any amendment or supplement thereto, furnish to the Registering Stockholder and each applicable managing Underwriter, if any, copies thereof, and thereafter furnish to the Registering Stockholder and each such Underwriter, if any, such number of copies of such registration statement, amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and the prospectus included in such registration statement (including each preliminary prospectus) as the Registering Stockholder or each such Underwriter may reasonably request in order to facilitate the sale of the Registrable Securities.

(c) After the filing of the registration statement, the Company will promptly notify the Registering Stockholder of any stop order issued or, to the Company's knowledge, threatened to be issued by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its reasonable best efforts to qualify the Registrable Securities for offer and sale under such other securities or blue sky laws of such jurisdictions in the United States as the Registering Stockholder reasonably requests; provided, however, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection (d), (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction.

(e) The Company will as promptly as is practicable notify the Registering Stockholder at any time when a prospectus relating to the sale of the Registrable Securities is required by law to be delivered in connection with sales by an Underwriter or dealer, of the occurrence of any event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and promptly make available to the Registering Stockholder and to the Underwriters any such supplement or amendment. The Registering Stockholder agrees that, upon receipt of any notice from the Company of the occurrence of any

event of the kind described in the preceding sentence, the Registering Stockholder will forthwith discontinue the offer and sale of Registrable Securities pursuant to the registration statement covering such Registrable Securities until receipt by the Registering Stockholder and the Underwriters of the copies of such supplemented or amended prospectus and, if so directed by the Company, the Registering Stockholder will deliver to the Company all copies, other than permanent file copies then in the Registering Stockholder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Company gives such notice, the Company will extend the period during which such registration statement will be deemed effective as contemplated by Section 4.1(a) by the number of days during the period from and including the date of the giving of such notice to the date when the Company will make available to the Registering Stockholder such supplemented or amended prospectus.

(f) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the sale of such Registrable Securities.

(g) The Company will, upon the reasonable request of the Registering Stockholder and the managing Underwriter, furnish to the Registering Stockholder and to each Underwriter a signed counterpart, addressed to the Registering Stockholder or such Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Registering Stockholder or the managing Underwriter may reasonably request.

(h) The Company will make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within four months after the effective date of the registration statement, which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) The Company will use its commercially reasonable best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed or, if not so listed, on a national securities exchange or quoted on any national quotation system.

(j) Each Stockholder who is an Officer, Director or employee of the Company will use such Stockholder's reasonable best efforts to take all actions, including making himself or herself available to participate and, if requested by the Board (or its designee), participating in any roadshow or other investor presentation, necessary to expedite or facilitate the sale of such Registrable Securities, subject to availability and at the Company's cost and expense.

4.2 Indemnification by the Company. The Company agrees to indemnify and hold harmless each Stockholder registering shares pursuant to Section 3.1 or Section 3.2, its officers and directors, and each Person, if any, who controls each such Stockholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses arising out of or based on (a) any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company will have furnished any amendments or supplements thereto) or any preliminary prospectus, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any violation by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under any of the foregoing and relating to any action or inaction required of the Company in connection with any such registration, qualification or compliance, except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue statement or omission or alleged untrue statement or omission based in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of such Stockholder expressly for use therein; provided, however, that the foregoing indemnity agreement with respect to any preliminary prospectus will not inure to the benefit of any Stockholder if a copy of the current prospectus was not provided to the applicable purchaser by such Stockholder and such current copy of the prospectus would have cured the defect giving rise to such loss, claim, damage or liability. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters on substantially the same basis as that of the indemnification of the Stockholders provided in this Section 4.2.

4.3 Indemnification by Stockholders. Each Stockholder registering shares pursuant to Section 3.1 or Section 3.2 agrees, severally but not jointly, to indemnify and hold harmless the Company, its Officers and Directors and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Stockholder (excluding clause (c) thereof), but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission is made in such registration statement or prospectus in reliance upon and in conformity with information related to such Stockholder furnished in writing by or on behalf of such Stockholder expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto or any preliminary prospectus. Each such Stockholder also agrees to indemnify and hold harmless any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters on substantially the same basis as that of the indemnification of the Company provided in this Section 4.3. Notwithstanding any other provision of this Section 4.3, each Stockholder's liability under this Section 4.3 will not exceed the net proceeds received by such Stockholder from the offering of such Stockholder's Registrable Securities made in connection with such registration.

4.4 Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) is instituted involving any Person in respect of which indemnity may be sought pursuant to Section 4.2 or Section 4.3, such Person (the "indemnified party") will promptly notify the Person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party upon request of the indemnified party will retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and will pay the fees and disbursements of such counsel related to the proceeding. Notwithstanding the foregoing, the failure to give notice will not relieve the indemnifying party of the obligation to indemnify the indemnified party, except to the extent of actual prejudice or damages suffered as a result thereof. In any such proceeding, any indemnified party will have the right to retain its own counsel, but the fees and expenses of such counsel will be at the expense of such indemnified party unless (a) the indemnifying party and the indemnified party have mutually agreed to the retention of such counsel or (b) the named parties to any such proceeding (including any impleaded parties) include both the indemnified party and the indemnifying party (or any Persons designated by the indemnifying party to be represented in such proceeding by counsel selected by the indemnifying party) and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, in which case the fees and expenses of such counsel will be paid by the Company. It is understood that the indemnifying party will not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such indemnified parties, and that all such fees and expenses will be reimbursed as they are incurred. In the case of the retention of any such separate firm for the indemnified parties, such firm will be designated in writing by the indemnified parties. The indemnifying party will not be liable for any settlement of any proceeding effected without its consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the indemnifying party will indemnify and hold harmless such indemnified parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment.

4.5 Contribution. (a) If the indemnification provided for herein is held by a court of competent jurisdiction to be unavailable to the indemnified parties in respect of any losses, claims, damages or liabilities referred to herein, then each such indemnifying party, in lieu of indemnifying such indemnified party, will contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the Company, the Stockholders and any Underwriter, as applicable, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company, Stockholders registering shares pursuant to Section 3.1 or Section 3.2 and the Underwriter will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(b) The Company and each Stockholder registering shares of Registrable Securities pursuant to Section 3.1 or Section 3.2 agree that it would not be just and equitable if contribution pursuant to this Section 4.5 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding subsection. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding subsection will be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.5, no Stockholder registering shares of Registrable Shares pursuant to Section 3.1 or Section 3.2 will be required to contribute any amount in excess of the net proceeds from such offering received by such Stockholder from such registration giving rise to the applicable losses, claims, damages or liabilities. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(c) The parties agree that any definitive agreement relating to the sale of shares of Registrable Securities registered pursuant to Section 3.1 or 3.2 will contain other customary limitations on the obligations of the parties thereto to contribute as contemplated by this Section 4.5 (but not impose any greater obligations on any such party than are imposed by this Section 4.5).

4.6 Participation in Public Offerings.

(a) No Stockholder may participate in any Public Offering hereunder unless such Stockholder (a) agrees to sell such Stockholder's Registrable Securities on the basis provided in any underwriting or agency arrangements approved by the Company and the Stockholder entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and the provisions of this Agreement in respect of registration rights. The Company may require the Registering Stockholder promptly to furnish in writing to the Company such information regarding the Registering Stockholder, the plan of distribution of the Registrable Securities and other information as the Company may from time to time reasonably request or as may be legally required in connection with such registration.

(b) If any Stockholder disapproves of the terms of any underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing Underwriter and the other Stockholders participating in such underwriting; provided, however, that if an underwriting is the result of a Management Demand and any member of the Management Stockholder Group seeks to withdraw therefrom for any reason other than material deterioration in the condition of the United States securities markets generally, such underwriting will be deemed the Management Demand for purposes of Section 3.1. The Registrable Securities so withdrawn from registration;

provided, however, that if by the withdrawal of such Registrable Securities a greater number of Registrable Securities held by other Stockholders may by included in such registration (up to the Maximum Offering Size), then the Company will offer such other Stockholders who have included Registrable Securities in the registration the right to include additional Registrable Securities in the same proportion as otherwise applicable to such registration.

4.7 Rule 144. The Company will file any reports required to be filed by it under the Securities Act and the Exchange Act and will take such further action as the Stockholders may reasonably request to the extent required from time to time to enable the Stockholders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Exchange Act.

V. CERTAIN ARRANGEMENTS

5.1 Composition of the Board. (a) The Board will consist of six directors; provided that the total number of members of the Board may be increased or decreased upon the vote or consent of the holders of at least a majority of the Series A Stock and Series B Stock, voting as a single class. For so long as there is Series A Stock outstanding, the holders of Series A Stock will have the right to designate four individuals, one of whom will be the Chief Executive Officer of the Company (the "Series A Directors") to serve on the Board. For so long as there is Series B Stock outstanding, the holders of Series B Stock will have the right to designate two individuals (the "Series B Directors") to serve on the Board. As of the date hereof, the Series A Directors are David J. Oddi, Jose Ferreira, Jr., Steve Hislop and Clint Shackelford, and the Series B Directors are Michael Young and John Zapp.

(b) Each Stockholder entitled to vote for the election of directors to the Board agrees that it will vote its Securities or execute written consents, as the case may be, and take all other necessary action (including causing the Company to call a special meeting of Stockholders) in order to ensure that the composition of the Board is as set forth in this Section 5.1.

(c) For so long as holders of Series A Stock have the right to designate Series A Directors pursuant to Section 5.1(a), Goode will have the right to have up to two individuals present at all meetings of the Board (collectively, the "Board Observers"). The Board Observers will be entitled (i) to be given notice by the Secretary of the Company of any meeting of the Board or any committee thereof at the same time as the Directors, (ii) to be present at all meetings of the Board or any committee thereof, (iii) to receive copies of all minutes of Board meetings and Board committee meetings and (iv) to receive copies of any reports, minutes or other documents distributed to the Board or any committee thereof at the time such materials are given to the Directors. The Company will reimburse the Board Observers for all reasonable out-of-pocket expenses (including travel and lodging) incurred in connection with their attendance at meetings of the Board.

(d) For so long as the Young/Zapp Entity holds an amount of capital stock of the Company equal to not less than 20% of the amount of capital stock of the Company held by the Young/Zapp Entity on the date hereof (as adjusted pursuant to any stock split, dividend, distribution, reclassification or reorganization of the Company's equity securities), to the extent that Michael Young or John Zapp is not elected to serve as a member of the Board of Directors of the Company, the Young/Zapp Entity will have the right to appoint, and the Company will have the obligation to permit, Michael Young and/or John Zapp (or their duly appointed representatives) to be present at all meetings of the Board (collectively, the "Young/Zapp Board Observers"). The Young/Zapp Board Observers will be entitled (i) to be given notice by the Secretary of the Company of any meeting of the Board or any committee thereof at the same time as the Directors, (ii) to be present at all meetings of the Board or any committee thereof, (iii) to receive copies of all minutes of Board meetings and Board committee meetings and (iv) to receive copies of any reports, minutes or other documents distributed to the Board or any committee thereof at the time such materials are given to the Directors. The Company will reimburse the Young/Zapp Board Observers for all reasonable out-of-pocket expenses (including travel and lodging) incurred in connection with their attendance at meetings of the Board.

(e) For so long as the Young/Zapp Entity holds an amount of capital stock of the Company equal to not less than 20% of the amount of capital stock of the Company held by the Young/Zapp Entity on the date hereof (as adjusted pursuant to any stock split, dividend, distribution, reclassification or reorganization of the Company's equity securities), the Young/Zapp Entity will have the right to appoint, and the Company will cause its Subsidiaries to have the obligation to permit, the Young/Zapp Board Observers to be present at all meetings of the boards of directors of the Subsidiaries. The Young/Zapp Board Observers will be entitled (i) to be given notice by the Secretary of each of the Subsidiaries of any meeting of the board or any committee thereof at the same time as the directors, (ii) to be present at all meetings of the board or any committee thereof, (iii) to receive copies of all minutes of board meetings and board committee meetings and (iv) to receive copies of any reports, minutes or other documents distributed to the board or any committee thereof at the time such materials are given to the directors. The Company will reimburse the Young/Zapp Board Observers for all reasonable out-of-pocket expenses (including travel and lodging) incurred in connection with their attendance at meetings of the boards of the Subsidiaries.

5.2 Removal. Each Stockholder agrees to vote in favor of the removal from the Board (a) a Series A Director, at the request of the holders of Series A Stock, and (b) a Series B Director, at the request of the holders of Series B Stock, and to elect to the unexpired term of each Director so removed, another person designated by the holders of Series A Stock or Series B Stock, as the case may be.

5.3 Vacancies. If, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there will exist or occur any vacancy on the Board of Directors:

(a) the Person or Persons entitled under Section 5.1 to designate or nominate such director whose death, disability, retirement, resignation or removal resulted in such vacancy may designate another individual (the "Nominee") to fill such vacancy and serve as a Director; and

(b) each Stockholder then entitled to vote for the election of the Nominee as a director of the Company agrees that it will vote its Securities, or execute a written consent, as the case may be, in order to ensure that the Nominee is elected to the Board.

5.4 Action by the Board of Directors. (a) A quorum of the Board of Directors will consist of at least three Directors. Notwithstanding the foregoing, in the event that a meeting has been duly noticed, called and convened in accordance with applicable law and a Director fails to attend or otherwise participate as permitted by law, the other Directors in attendance or otherwise participating will constitute a quorum. All actions of the Board will require (i) at least a majority of the votes entitled to be cast being cast in the affirmative at a meeting of the Board duly noticed and convened in accordance with applicable law and otherwise in accordance with the terms of this Agreement and at which a quorum is present or (ii) the unanimous written consent of the Board; provided, however, that, in the event there is a vacancy on the Board and an individual has been nominated to fill such vacancy, the first order of business will be to fill such vacancy.

(b) The Board may create executive, compensation and audit committees, as well as such other committees as it may determine. Except to the extent prohibited by applicable law or regulation, the Series A Directors and the Series B Directors will be entitled to representation on each committee created by the Board in proportion to their entitlement to representation on the Board as provided hereunder.

5.5 Consequences of Default Under Certain Agreements. Prior to the date hereof, Chuy's Opco, Inc., a wholly owned subsidiary of the Company, entered into that certain Asset Purchase Agreement (the "Purchase Agreement") with the Seller Group (as defined in the Purchase Agreement) pursuant to which Chuy's Opco, Inc. (a) entered into Employment Agreements and Employee Letter Agreements (as defined in the Purchase Agreement) with the persons identified on Exhibit D (attached hereto), (b) executed and delivered a Promissory Note (as defined in the Purchase Agreement) payable to Young Zapp, Ltd., and (c) agreed to pay Young Zapp, Ltd., when and as due, any and all Forfeited Amounts (as defined in the Purchase Agreement). The parties hereto agree that in the event Chuy's Opco, Inc. fails to make any payment as required under any of the Employment Agreements that are in effect as of the date hereof, the Employee Letter Agreements that are in effect as of the date hereof, Promissory Note or the Purchase Agreement with respect to the Forfeited Amounts (each, a "Payment Default"), the Company will immediately suspend payments to Goode Partners LLC under the Advisory Agreement for a period of 181 days. In the event a Payment Default is cured at any time during such 181 day period, the Company will promptly resume payments to Goode Partners LLC under the Advisory Agreement and will pay interest on any suspended payment on the terms set forth in the Advisory Agreement. In the event a Payment Default remains uncured following such 181 day

period, notwithstanding anything herein to the contrary, including the provisions of Section 5.1, (1) the Young/Zapp Entity will immediately have the right to replace all of the Series A Directors with individuals designated by the Young/Zapp Entity, the Series A Holders will cause the Series A Directors to resign and the Series A Holders and the Optionholders will vote their Securities or execute written consents, as the case may be, and take all other necessary action to ensure that the composition of the Board is as set forth in this Section 5.5, (2) the Series A Holders will promptly transfer and assign all of their Securities to the Young/Zapp Entity upon payment of a total purchase price of $1,000 (and the Young/Zapp Entity will be a Permitted Transferee of such Securities), (3) all rights of Goode and/or any Goode Holder under this Agreement will terminate, and (4) to the extent that the Young/Zapp Entity or any entity in which Michael Young or John Zapp holds an equity interest purchases or otherwise acquires any loans, extensions of credit or other debt financing of the Company, the Company and the Stockholders hereby irrevocably consent to such purchase or other acquisition. In addition to the rights set forth in the preceding sentence, the parties acknowledge and agree that the Young/Zapp Entity will have the right, under the circumstances giving rise to the replacement of the Series A Directors, to cause the Company to terminate the Advisory Agreement. Except as set forth on Schedule 5.5 of this Agreement, the Company, the Series A Holders and the Optionholders each represent, warrant and covenant that it has not entered into, and will not enter into, any agreement or other arrangement which would prohibit, restrict, limit or otherwise adversely affect the Young/Zapp Entity's right or ability to enforce any of its rights or remedies provided by this Section 5.5.

5.6 Indemnification.

(a) General. In addition to any other indemnity provided herein or otherwise, to the maximum extent permitted by applicable law, the Company will indemnify against judgments, fines, amounts paid in settlement, costs, damages and expenses (including attorney's fees) actually and reasonably incurred by each Director or Officer (i) who was or is nominated by the holders of Series A Stock or Series B Stock and (ii) is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (including an action or suit by or in the right of the Company to procure a judgment in its favor), which is (A) threatened or brought by a person or entity who or which is not signatory to this Agreement or an Affiliate thereof, and (B) based upon such Officer or Director's acts or omissions taken in furtherance of the terms of this Agreement, providing such acts or omissions were made in good faith.

(b) Advances. Any expenses (including reasonable attorneys fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, as to which indemnification is allowed hereunder, will, to the extend permitted by applicable law, be paid by the Company as such expenses are incurred even though such payment may be in advance of the final disposition of such action, suit or proceeding; provided, however, that if a court of competent jurisdiction determines in a final, nonappealable order that a Director or Officer is not to be entitled to indemnification hereunder, such amounts will be returned to the Company.

(c) Insurance. The Company will purchase and maintain insurance to indemnify it against the whole or any portion of the liability imposed upon it in accordance with this Article and will also purchase and maintain insurance on behalf of any person who is or was a Director or Officer against any liability asserted against such Director or Officer and incurred by such Director or Officer in any such capacity or arising out of such Director's or Officer's status as such.

5.7 Voting of Shares. (a) Each share of Common Stock will entitle the holder thereof to one vote on all matters submitted to a vote of such Stockholders of the Company.

(b) So long as any shares of Series B Stock are outstanding, the Company will not, and will cause its Subsidiaries to not, without the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series B Stock, consenting or voting (as the case may be) separately as a class, directly or indirectly, enter into any agreement, obligation, commitment or other transaction with, or grant any rights, preferences or privileges to (i) Goode, Goode Partners, LLC, Goode Partners Consumer Fund I, L.P. or any Series A Holder, (ii) any Affiliate of any of the Persons described in clause (i) above, or (iii) any of the officers, directors, stockholders, employees, agents or representatives of any of the Persons described in clauses (i) or (ii) above (a "Restricted Party"; provided, however, that in no event will Clint Shackelford or any of his Affiliates be deemed a "Restricted Party"), other than (x) the payment by the Company to Goode or any of its Affiliates of any cash fees or expenses in connection with (1) the Advisory Agreement, between the Company and a Goode Partners, LLC, dated as of the date hereof and (2) a written agreement previously consented to or approved by the holders of a majority of the then outstanding shares of Series B Stock (excluding any amendment to any of the forgoing not approved in accordance with the foregoing), (y) the issuance of any capital stock or other securities of the Company to a Restricted Party with respect to which the Stockholders (other than Optionholders) are offered contractual preemptive rights to purchase their pro rata share (based on the total number of shares of capital stock held by a person divided by the total number of shares of capital stock issued and outstanding) as promptly as practicable following such issuance, and (z) any loan, extension of credit or other debt financing to the Company by a Restricted Party with respect to which the Stockholders (other than the Optionholders) are offered the right to participate with the Restricted Party on a pari passu basis as promptly as practicable following such loan, extension of credit or other debt financing; provided, that for purposes of the preceding clauses (y) and (z), the Stockholders will have 30 calendar days from the time such offer is made to elect to participate in such issuance, loan, extension of credit or other debt financing.

(c) So long as any shares of Series B Stock are outstanding, the Company will not permit, and will cause each of the Subsidiaries not to permit, without the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series B Stock, consenting or voting (as the case may be) separately as a class, any Subsidiary to issue any shares or other equity securities of the Subsidiary to any Person other than the Company.

5.8 Conflicting Certificate of Incorporation or Bylaw Provisions. Each Stockholder will vote such Stockholder's Securities or execute written consents, as the case may be, and take all other actions necessary or appropriate, to ensure that the Certificate of Incorporation and Bylaws (a) contain the provisions of this Article V that are required by applicable law to be contained in the Certificate of Incorporation or Bylaws in order for such provisions to be operable and enforceable and (b) facilitate and do not at any time conflict with any provision of this Article V. In addition, the Company will vote all of the Company's securities or execute written consents, as the case may be, and take all other actions necessary or appropriate, to ensure that the Certificate of Incorporation and Bylaws (and/or other governing corporate documents) of each Subsidiary (a) contain the provisions of this Article V that are required by applicable law to be contained in such documents in order for such provisions to be operable and enforceable and (b) facilitate and do not at any time conflict with any provision of this Article V and Section 2.8 of this Agreement.

5.9 Stockholder Access. The Young/Zapp Entity, Goode and the JPM Direct Investors will be entitled to receive from the Company and each of its Subsidiaries, as promptly as practicable after request therefor, information distributed or otherwise made available to the Board or any committee thereof at any regular or special meeting thereof together with any other Company or Subsidiary information relating thereto. The Company will, and will cause its Subsidiaries to, permit the Young/Zapp Entity, Goode and the JPM Direct Investors, at their respective expense, to visit and inspect the Company's and/or Subsidiaries' properties, to examine its books of account and records and to discuss the Company's and/or Subsidiaries' affairs, finances and accounts with its/their Officers and other employees and the Company Accountants, all at such reasonable times (but during normal business hours) as any of them may request.

5.10 Confidentiality. Any Stockholder receiving Confidential Information related to the Company and/or the Subsidiaries agrees to keep such Confidential Information confidential and will not disclose such Confidential Information to any third party without the prior written consent of the Company, provided, however, that nothing in this Agreement will prevent such Stockholder from disclosing the Confidential Information as required by law, regulation or other legal process or to its limited partners or stockholders, representatives (including attorneys and accountants), agents and Affiliates or to any Participant or any Permitted Transferee of such Stockholder, provided, in each case, the recipient of such Confidential Information agrees to be bound by the provisions of this Section 5.9.

5.11 Key Man Life Insurance. For a period of two years following the date hereof, the Company will have the right but not the obligation to obtain in its own name insurance policies on the lives of Michael Young, John Zapp and Ted Zapp in the maximum amounts obtainable ("Key Man Insurance"), provided that the Company will not obtain Key Man Insurance without the prior written consent of the Young/Zapp Entity if the aggregate premiums for such insurance policies exceed $35,000 per annum. The Company, one of its subsidiaries or its lenders will be the beneficiary of any Key Man Insurance.

5.12 Financial Information of the Company. The Company will furnish to holders of Series X Stock, Series A Stock and Series B Stock:

(a) promptly when available and in any event within 45 days after the end of each month the balance sheet of the Company (and its consolidated Subsidiaries) as of the end of such month, together with statements of earnings and cash flows for such month and for the period beginning with the first day of such fiscal year and ending on the last day of such month, together with a comparison with the corresponding period of the previous fiscal year and a comparison with the budget for such period of the current fiscal year, certified by the president, the chief executive officer or the chief financial officer of the Company;

(b) promptly when available and in any event within 120 days after the close of each fiscal year of the Company, (i) a copy of the annual audit report of the Company (and its consolidated Subsidiaries) for such fiscal year, including therein balance sheets and statements of earnings and cash flows of the Company (and its consolidated Subsidiaries) as at the end of such fiscal year, certified without qualification (except for qualifications relating to changes in accounting principles or practices reflecting changes in generally accepted principles of accounting and required or approved by the Company Accountants) by the Company Accountants and (ii) a comparison with the budget for such fiscal year and a comparison with the previous fiscal year;

(c) as promptly as practicable (but in any event not later than five Business Days) after receipt thereof, copies of all management reports submitted to the Company or any of its Subsidiaries by the Company Accountants;

(d) as soon as practicable, and in any event not later than 30 days prior to the commencement of each fiscal year of the Company, an annual budget and financial projections for the Company for such fiscal year (on a monthly basis and including monthly operating and cash flow budgets), prepared in good faith and on reasonable assumptions contained in such projections;

(e) as soon as practicable, and in any event no later than five business days following receipt thereof, notifications of defaults or anticipated defaults under any credit or other material agreements;

(f) as soon as practicable, and in any event no later than five business days following receipt thereof, notification of any threatened litigation or modification or updates to any material litigation;

(g) such other material information relating to the Company as will be furnished to any bank, financial institution or other Person to which the Company is indebted for borrowed money or for any letters of credit or similar instruments (other than information relating solely to collateral therefor);

(h) as soon as practicable, and in any event at least three business days in advance of any anticipated filings, copies of any filings with the Commission; and

(i) as soon as practicable, information related to (1) any potential mergers, acquisitions or sales of the Company or a substantial portion of its assets; (2) borrowings under any credit agreement or other agreement related to indebtedness of the Company, (3) equity offerings by the Company, (4) employee compensation and benefits, and (5) execution, termination or modification of any agreement or arrangement material to the Company.

5.13 Financial Information of Subsidiaries. The Company will cause each Subsidiary to furnish to holders of Series X Stock, Series A Stock and Series B Stock the same information specified in Section 5.12 above with respect to each Subsidiary to the extent not included in the information provided by the Company pursuant to Section 5.12.

VI. MISCELLANEOUS

6.1 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

6.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. This Agreement is not intended to confer upon any Person other than the parties hereto and thereto any rights or remedies hereunder or thereunder**.**

6.3 Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Company, to:

Chuy's Holdings, Inc.
c/o Goode Partners LLC
767 Third Avenue
22nd Floor
New York, New York 10017
Facsimile No.: 212-317-2827
Attention: David J. Oddi

with a copy to:

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Randi C. Lesnick

If to a Stockholder, to the address(es) listed for such Stockholder for notice purposes on Exhibit C attached hereto or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

6.4 Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflict of laws rules of such state.

6.5 Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by law.

6.6 Termination. Unless this Agreement is sooner terminated by the written agreement of all the parties hereto, (i) Article II (other than Section 2.1(c)) and Article V (other than Section 5.9) will terminate upon the effective date of a registration statement filed with the Securities and Exchange Commission in connection with the Initial Public Offering; and (ii) the rights of a Stockholder under Article III and Article IV will terminate as to such Stockholder's Registrable Securities at such time as (A) such Stockholder is eligible to sell all of its Registrable Securities in a single three-month period in compliance with Rule 144 of the Securities Act without volume limitations or (B) such Stockholder ceases to hold (or hold rights to acquire) any Registrable Securities. Notwithstanding the foregoing, if a party hereto ceases to own any Securities or other rights to acquire Securities, such party will no longer be deemed to be a party for purposes of this Agreement, and there will be no further liability on the part of any such party, except for obligations arising under Section 5.9 (which will survive indefinitely) and liabilities arising from a breach of this Agreement or other actions by such party prior to such party ceasing to be a party to this Agreement.

6.7 Successors, Assigns and Transferees. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns and Transferees. Except as expressly contemplated hereby, neither this Agreement nor any provision hereof will be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and permitted assigns and Transferees.

6.8 Amendments; Waivers. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment or waiver, by the Company and Stockholders owning at least 80% (on a Fully-Diluted Basis) of the Securities; provided, that in the event such amendment or waiver (A) would result, or would be expected to result, in the imposition of greater obligations on, or the reduction in rights, privileges or preferences held by, the Young/Zapp Entity, as compared to such obligations/rights as existed immediately prior to such action, or (B) is substantially prejudicial to the rights, preferences or privileges of the Young/Zapp Entity, as compared to such rights as existed immediately prior to such action, then such waiver and/or amendment will not become effective unless and until approved by the Young/Zapp Entity.

6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

6.10 Remedies. The parties hereby acknowledge that money damages would not be adequate compensation for the damages that a party would suffer by reason of a failure of any other party to perform any of the obligations under this Agreement. Therefore, each party hereto agrees that specific performance is the only appropriate remedy under this Agreement and hereby waives the claim or defense that any other party has an adequate remedy at law.

6.11 Dispute Escalation and Arbitration. (a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, each of Purchaser and the Sellers will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives and the Stockholders, as applicable, will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executives and Stockholders, as applicable, will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives and Stockholders but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives and Stockholders, as applicable, that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 6.11(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 6.11 will take place in Austin, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable; provided, however, that the non-prevailing party will be responsible for all costs and expenses relating to the arbitration (including attorneys fees, travel and other fees and expenses incurred in connection with the investigation, preparation, pursuit, defense or assistance with the defense of any matter presented for arbitration) and will reimburse the prevailing party within 30 Business Days after presentation by the prevailing party of reasonable evidence of such costs and expenses. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the parties agree that the provisions of this Section 6.11 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 6.11 prevents the Parties from exercising their rights to terminate this Agreement in accordance with the terms thereof.

6.12 Legal Prohibitions. To the extent that the exercise, right or the performance of any obligation by any Stockholder under Section 2.3 of this Agreement is prohibited by law, such Stockholder and the other parties hereto agree to use all reasonable efforts to achieve reasonable and lawful alternative arrangements designed to provide such Stockholder or such other parties, as the case may be, the economic benefit from the exercise of such right or the performance of such obligation.

6.13 After-Acquired Shares; Options; Successor Shares. Whenever any Stockholder becomes the record or beneficial owner of additional Securities, such Securities will be subject to all of the terms and conditions of this Agreement. All Options, Option Shares and Successor Shares are deemed to be, and all options to purchase shares of capital stock of the Company granted after the date hereof and the shares of capital stock deliverable pursuant to such options will, upon grant, be deemed to be, subject to the terms and conditions of this Agreement.

6.14 Certain Interpretive Matters. (a) Unless the context otherwise requires, (i) all references to Sections, Articles or Schedules are to be Sections, Articles and Schedules of or to this Agreement, (ii) each of the Schedules will apply only to the corresponding Section or subsection of this Agreement, (iii) each term defined in this Agreement has the meaning assigned to it, (iv) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in the Purchase Agreement, (v) words in the singular include the plural and vice versa, (vi) the term "including" means "including without limitation," (vii) all reference to $ or dollar amounts will be to lawful currency of the United States, (viii) to the extent the term "day" or "days" is used, it will mean calendar days and (ix) the pronoun "his" refers to the masculine, feminine and neuter.

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

6.15 Further Assurances. Each party will cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

6.16 No Announcements. No public announcement regarding the transactions contemplated hereby will be made by any Stockholder other than Goode in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing material or otherwise to the general public without the prior written consent of the Goode.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CHUY'S HOLDINGS, INC.

By: /s/ Jose Ferreira, Jr.
Name: Jose Ferreira, Jr.
Title: Authorized Person

GOODE CHUY'S HOLDINGS, LLC

By: /s/ Jose Ferreira, Jr.
Name: Jose Ferreira, Jr.
Title: Authorized Person

MY/ZP Equity, LLC

By: /s/ Michael Young
Name: Michael Young
Title: Member

GOODE CHUY'S DIRECT INVESTORS, LLC

By: /s/ Jose Ferreira, Jr.
Name: Jose Ferreira, Jr.
Title: Authorized Person

J.P. MORGAN U.S. DIRECT CORPORATE FINANCE INSTITUTIONAL INVESTORS III LLC

By: J.P. Morgan Investment Management Inc.,
as Investment Advisor

By: /s/ Robert Cousin
Name: Robert Cousin
Title: Managing Director

522 FIFTH AVENUE FUND, L.P.

By: J.P. Morgan Investment Management Inc.,
as Investment Advisor

By: /s/ Robert Cousin
Name: Robert Cousin
Title: Managing Director

COMMON STOCKHOLDERS

/s/ Steve Hislop
Name: Steve Hislop

/s/ Frank Biller
Name: Frank Biller

Exhibit 5.1

JONES DAY

2727 NORTH HARWOOD STREET • DALLAS, TEXAS 75201-1515 • MAILING ADDRESS: P.O. BOX 660623 • DALLAS, TEXAS 75266-0623
TELEPHONE: (214) 220-3939 • FACSIMILE: (214) 969-5100

[—], 2011

Chuy's Holdings, Inc.
1623 Toomey Rd.
Austin, Texas 78704

Re: Registration Statement No. 333-
up to [—] shares of Common Stock, par value $0.01 per share

Ladies and Gentlemen:

We are acting as counsel for Chuy's Holdings, Inc., a Delaware corporation (the "Company"), in connection with the initial public offering and sale of up to [—] shares (the "Company Shares") of common stock, par value $0.01 per share, by the Company and up to [—] shares (the "Stockholder Shares" and, together with the Company Shares, the "Shares") by certain stockholders of the Company pursuant to the Underwriting Agreement (the "Underwriting Agreement") proposed to be entered into by and among the Company, Jefferies & Company, Inc. and Robert W. Baird & Co. Incorporated acting as the representatives of the several underwriters to be named in Schedule A thereto, and the selling stockholders to be named in Schedules B-1 and B-2 thereto.

In connection with the opinion expressed herein, we have examined such documents, records and matters of law as we have deemed relevant or necessary for purposes of such opinion. Based upon the foregoing and subject to the further assumptions, qualifications and limitations set forth herein, we are of the opinion that:

1. The Company Shares have been authorized by all necessary corporate action of the Company and, when issued and delivered pursuant to the Underwriting Agreement against payment of the consideration therefor, as provided in the Underwriting Agreement, will be validly issued, fully paid and nonassessable.

2. The Stockholder Shares have been authorized by all necessary corporate action of the Company and are validly issued, fully paid and nonassessable.

In rendering the opinion set forth above, we have assumed that the Underwriting Agreement will have been executed and delivered by the parties thereto and the resolutions authorizing the Company to issue and deliver the Company Shares pursuant to the Underwriting Agreement will be in full force and effect at all times at which the Company Shares are issued and delivered by the Company.

The opinions expressed herein are limited to the General Corporation Law of the State of Delaware, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such law, as currently in effect, and we express no opinion as to the effect of any other law of the State of Delaware or the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement on Form S-1 (No. 333-) (the "Registration Statement") filed by the Company to effect registration of the Shares under the Securities Act of 1933 (the "Act") and to the reference to us under the caption "Legal Matters" in the prospectus constituting a part of such Registration Statement. In giving such consent, we do not hereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

Exhibit 10.1

CREDIT AGREEMENT

Dated as of May 24, 2011

among

CHUY'S OPCO, INC.,
as Borrower,

THE OTHER LOAN PARTIES FROM TIME TO TIME PARTY HERETO,
as Guarantors,

THE LENDERS PARTY HERETO FROM TIME TO TIME,
as Lenders,

GENERAL ELECTRIC CAPITAL CORPORATION,
as Syndication Agent

and

GCI CAPITAL MARKETS LLC,
as Administrative Agent and Sole Bookrunner

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INDEX OF APPENDICES

CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of May 24, 2011 among Chuy's Opco, Inc., a Delaware corporation ("Borrower"), the other Loan Parties (as hereinafter defined) party hereto from time to time, the Lenders (as hereinafter defined) party hereto from time to time, and GCI Capital Markets LLC, a Delaware limited liability company, as administrative agent for the Lenders.

RECITALS

WHEREAS, Borrower desires that Lenders extend revolving and term credit facilities to Borrower of up to Sixty Seven Million Five Hundred Thousand and No/100 Dollars ($67,500,000.00) in the aggregate for the purposes of financing the Dividend Recapitalization (as hereinafter defined) within 45 days following the Closing Date (as hereinafter defined), refinancing certain obligations of Borrower and its Subsidiaries (as hereinafter defined) on the Closing Date**,** paying related fees, costs and expenses in connection with this Agreement and the Dividend Recapitalization and funding working capital and general corporate purposes of Borrower and its Subsidiaries (including Capital Expenditures (as hereinafter defined) not made in violation of the terms of this Agreement), and for this purpose, Lenders are willing to make loans and other extensions of credit to Borrower of up to such amount, upon the terms and conditions set forth herein;

WHEREAS, the Guarantors (as hereinafter defined) are willing to guaranty the Obligations (as hereinafter defined);

WHEREAS, the Loan Parties desire to secure all of their Obligations under the Loan Documents (as hereinafter defined) by granting to Administrative Agent (as hereinafter defined), for the benefit of the Secured Parties (as hereinafter defined), a security interest in and lien upon substantially all of their existing and after acquired personal and owned real property;

WHEREAS, each Loan Party desires to pledge to Administrative Agent, for the benefit of the Secured Parties, all of the Stock (as hereinafter defined) of each of its Subsidiaries to secure the Obligations; and

WHEREAS, all Annexes, Schedules, Exhibits and other attachments (collectively, "Appendices") hereto, or expressly identified to this Agreement (as hereinafter defined), are incorporated herein by reference, and taken together, shall constitute but a single agreement. These Recitals shall be construed as part of this Agreement.

NOW, **THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

Capitalized terms used in the Loan Documents shall have (unless otherwise provided elsewhere in the Loan Documents) the meanings specified therefor on Schedule 1.1.

Section 1.2 Interpretive Matters.

(a) All other undefined terms contained in any of the Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the Code as in effect in the State of New York to the extent the same are used or defined therein. Unless otherwise specified, references in this Agreement or any of the Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in this Agreement. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement or any such Annex, Exhibit or Schedule.

(b) Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Loan Documents) or, in the case of governmental Persons, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any Loan Document refers to the knowledge (or an analogous phrase) of any Loan Party, such words are intended to signify that such Loan Party has actual knowledge or awareness of a particular fact or circumstance or that such Loan Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

(c) Unless otherwise specifically provided herein, any accounting term used in this Agreement shall have the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. If any "Accounting Changes" (as defined below) occur and such changes result in a change in the calculation of the financial covenants, standards or terms used in this Agreement or any other Loan Document, then Borrower, Administrative Agent and Lenders agree to negotiate to amend

such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Loan Parties' and their Subsidiaries' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made; provided, however, that the agreement of Requisite Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. "Accounting Changes" means (a) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions), including, but not limited to, the FASB Accounting Standards Codification™, (b) changes in accounting principles concurred in by Borrower's certified public accountants; (c) purchase accounting adjustments under A.P.B. 16 and/or 17 and EITF 88-16, and the application of the accounting principles set forth in FASB 109, or, in each case, any FASB Accounting Standards Codification™ having a similar result or effect, including the establishment of reserves pursuant thereto and any subsequent reversal (in whole or in part) of such reserves; and (d) the reversal of any reserves established as a result of purchase accounting adjustments; provided, however, that notwithstanding the forgoing, any such change, adjustment, reversal or the like that would result in any store lease that, under GAAP as in effect on the date hereof would be classified and accounted for as an operating lease instead being classified and accounted for as a Capital Lease shall not be considered an Accounting Change. If Administrative Agent, Borrower and Requisite Lenders agree upon amendments pursuant to the foregoing, then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained in this Agreement or in any other Loan Document shall, only to the extent of such Accounting Change, refer to GAAP, consistently applied after giving effect to the implementation of such Accounting Change. If Administrative Agent, Borrower and Requisite Lenders cannot agree upon amendments pursuant to the foregoing within thirty (30) days following the date of implementation of any Accounting Change, then until such agreement is reached all Financial Statements delivered and all calculations of financial covenants and other standards and terms in accordance with this Agreement and the other Loan Documents shall be prepared, delivered and made without regard to the underlying Accounting Change. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to in Article VII shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financing Accounting Standard or FASB Accounting Standards Codification™ having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party or any Subsidiary of any Loan Party at "fair value."

ARTICLE II

AMOUNT AND TERMS OF CREDIT

Section 2.1 Credit Facilities.

(a) Revolving Credit Facility.

(i) Subject to the terms and conditions hereof, each Revolving Lender agrees to make available to Borrower from time to time until the Revolving Loan Commitment Termination Date its Pro Rata Share of advances under the Revolving Loan Commitment (each, an "Advance"). The Pro Rata Share of the Revolving Loan of any Revolving Lender shall not at any time exceed its separate Revolving Loan Commitment. The obligations of each Revolving Lender hereunder shall be several and not joint. The aggregate amount of Advances outstanding shall not exceed at any time the Maximum Amount less the sum of the Letter of Credit Obligations outstanding at such time (such aggregate amount of Advances permitted to be outstanding at any one time, the "Borrowing Availability"); provided that the aggregate amount of Advances plus the sum of the Letter of Credit Obligations outstanding on the Closing Date shall not exceed $1,500,000. Until the Revolving Loan Commitment Termination Date, Borrower may from time to time borrow, repay and, subject to Borrowing Availability, reborrow under this Section 2.1(a) for the purposes described in Section 2.4. Each Advance shall be made on notice by Borrower to Administrative Agent as provided herein. Those notices must be given no later than (a) in the case of an Index Rate Loan borrowing, 11:30 a.m. New York time on the proposed date of such borrowing (but no later than 11:30 a.m. New York time at least one (1) Business Day prior to the proposed date of such borrowing in the case of a requested Index Rate Loan greater than $1,000,000), and (b) in the case of a LIBOR Loan borrowing, noon New York time at least three (3) Business Days prior to the proposed date of such borrowing. Each such notice (a "Revolving Loan Notice of Advance") must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit 2.1(a)(i) and shall include the information required in such Exhibit. Administrative Agent shall notify each Revolving Lender promptly after receipt of a Revolving Loan Notice of Advance of the details thereof by telecopy, telephone or other similar form of transmission. Each Revolving Lender shall, severally and not jointly, make the amount of such Lender's Pro Rata Share of each Advance available to Administrative Agent in same day funds by wire transfer to Administrative Agent's Account not later than 1:30 p.m. New York time on the requested funding date so that Administrative Agent may make such Advance available to Borrower in same day funds by wire transfer to Borrower's account set forth on Borrower's signature page attached hereto or such other account as Borrower may notify Administrative Agent in writing.

(ii) Administrative Agent may, but shall not be obligated to, make available to Borrower the aggregate Advance requested in any Revolving Loan Notice of Advance, on the assumption that each Revolving Lender will make its Pro Rata Share of such Advance available to Administrative Agent. If Administrative Agent elects to make any Revolving Lender's Pro Rata Share of a requested Advance available to Borrower prior to Administrative Agent's receipt of funds from such Revolving Lender, and such Revolving Lender fails to pay the amount of its Pro Rata Share of such Advance to Administrative Agent as required hereunder, Administrative Agent shall promptly notify Borrower, and Borrower shall promptly repay such portion of such Advance to Administrative Agent. Any such repayment shall be accompanied by accrued interest thereon at the rate of interest then applicable to Advances which are Index Rate Loans. Without duplication of the foregoing, the Revolving Lender whose Pro Rata Share of a requested Advance was disbursed to Borrower by Administrative Agent prior to Administrative Agent's receipt of funds from such Revolving Lender shall promptly make its Pro Rata Share of such Advance available to Administrative Agent, and if any Revolving Lender fails to make such amount available to Administrative Agent by the time required hereunder, such amount shall be paid together with accrued interest thereon at the rate of interest then applicable to Advances which are Index Rate Loans.

(iii) The entire unpaid balance of the aggregate Revolving Loan and all other Revolver Obligations shall be due and payable in full on the Revolving Loan Commitment Termination Date, if not sooner paid in full in accordance with the terms of the Loan Documents (without limiting Borrower's obligation to timely make all payments required under the terms of the Loan Documents).

(iv) Each Advance shall be in a minimum amount of $200,000 or any greater multiple of $50,000.

(b) Term A Loan.

(i) Subject to the terms and conditions of this Agreement, on the Closing Date, each Term A Loan Lender agrees, severally and not jointly, to make a Term A Loan to Borrower in an original principal amount equal to such Term A Loan Lender's Pro Rata Share of the Term A Loan Commitment. Amounts paid or prepaid in respect of the Term A Loan may not be reborrowed.

(ii) The Term A Loan shall be repaid, beginning on December 31, 2011 and on the last day of each calendar quarter thereafter, in an amount equal to the respective amount set forth opposite the dates indicated below (subject to any prepayments previously made thereof), with the remaining principal amount of the Term A Loan then outstanding due and payable in full on the Term A Loan Maturity Date.

Principal Amortization Payment Dates	Term A Loan Principal Amortization Payment
December 31, 2011	$ 131,250
March 31, 2012	$ 131,250
June 30, 2012	$ 131,250
September 30, 2012	$ 131,250
December 31, 2012	$ 131,250
March 31, 2013	$ 131,250
June 30, 2013	$ 131,250
September 30, 2013	$ 131,250
December 31, 2013	$ 131,250
March 31, 2014	$ 131,250
June 30, 2014	$ 131,250
September 30, 2014	$ 131,250
December 31, 2014	$ 131,250
March 31, 2015	$ 131,250
June 30, 2015	$ 131,250
September 30, 2015	$ 131,250
December 31, 2015	$ 131,250
March 31, 2016	$ 131,250

(iii) Notwithstanding the foregoing clause (ii), the entire unpaid balance of the aggregate Term A Loan and all other Term A Loan Obligations shall be due and payable in full on the Term A Loan Maturity Date, if not sooner paid in full in accordance with the terms of the Loan Documents (without limiting Borrower's obligation to timely make all payments required under the terms of the Loan Documents).

(c) Delayed Draw Term B Loan.

(i) Subject to the terms and conditions of this Agreement (including, without limitation, Section 3.2), on any Business Day prior to the Delayed Draw Term B Loan Commitment Termination Date, each Delayed Draw Term B Loan Lender agrees, severally and not jointly, to make available to Borrower its Pro Rata Share of advances under the Delayed Draw Term B Loan Commitment in an aggregate original principal amount not to exceed such Delayed Draw Term B Loan Lender's Pro Rata Share of the Delayed Draw Term B Loan Commitment. Amounts paid or prepaid in respect of the Delayed Draw Term B Loan may not be reborrowed. Each Delayed Draw Term B Loan shall be made on notice by Borrower to Administrative Agent as provided herein. Those notices must be given at least thirty (30) days prior to the proposed date of such borrowing or such shorter period permitted by Administrative Agent in its reasonable discretion. Each such notice (a "Delayed Draw Term B Loan Notice of Advance") must be given in writing (by

telecopy or overnight courier) substantially in the form of Exhibit 2.1(c)(i) and shall include the information required in such Exhibit. Administrative Agent shall notify each Delayed Draw Term B Lender promptly after receipt of a Delayed Draw Term B Loan Notice of Advance of the details thereof by telecopy, telephone or other similar form of transmission. Each Delayed Draw Term B Lender shall, severally and not jointly, make the amount of such Lender's Pro Rata Share of each Delayed Draw Term B Loan available to Administrative Agent in same day funds by wire transfer to Administrative Agent's Account not later than 1:30 p.m. New York time on the requested funding date so that Administrative Agent may make such Delayed Draw Term B Loans available to Borrower in same day funds by wire transfer to Borrower's account set forth on Borrower's signature page attached hereto or such other account as Borrower may notify Administrative Agent in writing. Each Delayed Draw Term B Loan shall be in a minimum amount of $1,000,000 or any greater multiple of $100,000.

(ii) The entire unpaid balance of the aggregate Delayed Draw Term B Loan and all other Delayed Draw Term B Loan Obligations shall be due and payable in full on the Delayed Draw Term B Loan Maturity Date, in each case, if not sooner paid in full in accordance with the terms of the Loan Documents (without limiting Borrower's obligation to timely make all payments required under the terms of the Loan Documents).

(d) Incremental Term Loan.

(i) Borrower may on or prior to the Incremental Term Loan Termination Date request, by written notice from Borrower to Administrative Agent, up to four (4) incremental term loans, in single advances (each such advance, an "Incremental Term Loan") of amounts not more than $5,000,000, and in an increment of $5,000,000 in excess thereof, but not to exceed $20,000,000 in the aggregate for all such Incremental Term Loans. Each such notice shall specify the amount of the proposed Incremental Term Loan, the principal terms thereof and the date (each an "Incremental Term Loan Effective Date") on which Borrower proposes that the applicable Incremental Term Loan shall be made, which shall be a date not less than thirty (30) days after the date on which such notice is delivered to Administrative Agent or such shorter period determined by Administrative Agent and each Lender providing a portion of such applicable Incremental Term Loan in their reasonable discretion. Each Incremental Term Loan may be offered to existing Lenders and/or new Lenders, subject to the standards for new Lenders set forth in Section 10.1(a) to the extent that such new Lender is subject to the approval of Administrative Agent pursuant to Section 10.1(a); provided, no Lender shall be obligated to make any Incremental Term Loan. Amounts paid or prepaid in respect of the Incremental Term Loan may not be reborrowed.

(ii) The terms and provisions (including, without limitation, the maturity date, amortization schedule, rates of interest, applicable margins for the rates of interest, fees and original issue discount, if any) of each Incremental Term Loan shall be determined by Borrower and each Lender providing a portion of such applicable Incremental Term Loan, and shall also be subject to the prior written approval of the Administrative Agent in its reasonable discretion, but in no event shall the terms and provisions of the applicable Incremental Term Loan be more favorable to any Lender providing any portion of the applicable Incremental Term Loan than the terms and provisions (including, without limitation, the maturity date, amortization schedule, rates of interest, applicable margins for the rates of interest, fees and original issue discount, if any) of the Closing Date Committed Loans (and the rates of interest and applicable margins for the rates of interest of the Closing Date Committed Loans shall be increased as necessary to ensure that the rates of interest and applicable margins for the rates of interest are identical), and shall also be subject to the execution and delivery of such amendments to this Agreement as Administrative Agent may reasonably require.

(iii) On the applicable Incremental Term Loan Effective Date, subject to the terms and conditions of this Agreement, each Lender committing to make the applicable Incremental Term Loan shall make a portion of the applicable Incremental Term Loan in an amount equal to its applicable commitment pertaining thereto. No Lender shall have any obligation to fund any portion of any Incremental Term Loan required to be funded by any other Lender, but not so funded.

(iv) From and after the applicable Incremental Term Loan Effective Date, the Loans made pursuant to this Section 2.1(d) shall constitute Loans under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the applicable Collateral Documents. The Loan Parties shall take any actions reasonably required by Administrative Agent to ensure and/or demonstrate that the Liens and security interests granted by the applicable Collateral Documents continue to be perfected under the UCC or otherwise after giving effect to the making of any such new Loans.

(e) Reliance on Notices. Absent gross negligence or willful misconduct, Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying upon, any Notice of Advance, Notice of Conversion/Continuation or similar notice reasonably believed by it to be genuine. Absent gross negligence or willful misconduct, Administrative Agent may assume that each Person executing and delivering such a notice was duly authorized, unless the responsible individual acting thereon for Administrative Agent has actual knowledge to the contrary.

Section 2.2 Letters of Credit.

(a) Issuance. Subject to the terms and conditions of this Agreement, the Revolving Loan Commitment may be used, from time to time prior to the Revolving Loan Commitment Termination Date, upon the request of Borrower for Borrower's account, for

the incurrence of Letter of Credit Obligations, by Administrative Agent causing, whether through the issuance by Administrative Agent or any of its Affiliates of support agreements, reimbursement agreements, guarantees or otherwise, Letters of Credit to be issued (by a bank or other legally authorized Person designated by Administrative Agent (which Person may be Administrative Agent or an Affiliate thereof) and reasonably acceptable to Borrower (each, an "L/C Issuer")) for Borrower's account. Each Revolving Lender shall, subject to the terms and conditions hereinafter set forth and based upon its Pro Rata Share relating to the Revolving Loan, purchase (and be deemed to have purchased) risk participations in all Letters of Credit Obligations incurred with the written consent of Administrative Agent, as more fully described in Section 2.2(b)(ii) below. The aggregate amount of all such Letter of Credit Obligations shall not at any time exceed the lesser of (i) $500,000 (the "L/C Sublimit") and (ii) the Maximum Amount less the aggregate outstanding principal balance of the Advances. No such Letter of Credit shall have an expiry date which is more than one year following the date of issuance thereof (or, in the case of any renewal or extension thereof, one year after such renewal or extension), and no Revolving Lender shall be under any obligation to incur Letter of Credit Obligations in respect of, or purchase risk participations in, any Letter of Credit having an expiry date (either upon its initial issuance or after giving effect to any renewal or extension thereof) which is later than five (5) days prior to the Revolving Loan Commitment Termination Date.

(b) Advances Automatic; Participations

(i) If Administrative Agent or any Revolving Lender shall make any payment to an L/C Issuer on or pursuant to any Letter of Credit Obligation, such payment shall then be deemed automatically to constitute an Advance to Borrower under Section 2.1(a) regardless of whether a Default or Event of Default shall have occurred and be continuing and notwithstanding Borrower's failure to satisfy the conditions precedent set forth in Section 3, and each Revolving Lender shall be obligated to pay its Pro Rata Share thereof in accordance with this Agreement. The failure of any Revolving Lender to make available to Administrative Agent its Pro Rata Share of any such Advance or payment by Administrative Agent under or in respect of a Letter of Credit shall not relieve any other Revolving Lender of its obligation hereunder to make available to Administrative Agent its Pro Rata Share thereof, but no Revolving Lender shall be responsible for the failure of any other Revolving Lender to make available such other Revolving Lender's Pro Rata Share of any such payment.

(ii) If the L/C Issuer is a Revolving Lender or if it shall be illegal or unlawful for Borrower to incur Advances as contemplated bySection 2.2(b)(i) above because of an Event of Default described in Section 9.1(h) or (i) or otherwise or if it shall be illegal or unlawful for any Revolving Lender to be deemed to have assumed a ratable share of the reimbursement obligations owed with respect to any Letter of Credit Obligation, then (A) immediately and without further action whatsoever, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Administrative Agent (or such L/C Issuer, as the case may be) an undivided

interest and participation equal to such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations in respect of all Letters of Credit then outstanding and (B) thereafter, immediately upon issuance of any Letter of Credit, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Administrative Agent (or such L/C Issuer, as the case may be) an undivided interest and participation in such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations with respect to such Letter of Credit on the date of such issuance. Each Revolving Lender shall fund its participation in all payments or disbursements made under the Letters of Credit in the same manner as provided in this Agreement with respect to Advances.

(c) Cash Collateral.

(i) If Borrower is required to provide cash collateral for any Letter of Credit Obligations pursuant to this Agreement prior to the Revolving Loan Commitment Termination Date, Borrower will pay to Administrative Agent, for the benefit of Secured Parties, cash or Cash Equivalents in an amount equal to one hundred three percent (103%) of the aggregate of the maximum amount then available to be drawn under each applicable Letter of Credit outstanding for the benefit of Borrower plus expected Letter of Credit Fees to be earned thereon. Such funds or Cash Equivalents shall be held by Administrative Agent in a cash collateral account (the "Cash Collateral Account") maintained at a bank or financial institution reasonably acceptable to Administrative Agent (including an account at the Administrative Agent if the Administrative Agent is a bank or other financial institution capable of maintaining deposits). The Cash Collateral Account shall be (i) in the name of Borrower, and shall be pledged to, and subject to the control of, Administrative Agent, for the benefit of the Secured Parties, in a manner reasonably satisfactory to Administrative Agent or (ii) if an Event of Default has occurred and is continuing and if elected by Administrative Agent in its sole discretion, in the name of and owned by Administrative Agent, subject to the exclusive control of Administrative Agent, for the benefit of the Secured Parties. Borrower hereby pledges and grants to Administrative Agent, on behalf of the Secured Parties, a security interest in all such funds and Cash Equivalents held in the Cash Collateral Account from time to time and all proceeds thereof, as security for the payment of all amounts due in respect of the Letter of Credit Obligations and other Obligations, whether or not then due, and this Agreement shall constitute a security agreement under applicable law for this purpose.

(ii) If any Letter of Credit Obligations, whether or not then due and payable, shall for any reason be outstanding on the Revolving Loan Commitment Termination Date, Borrower shall, as required by Administrative Agent, either (A) provide cash collateral therefor in the manner described above, (B) cause all such Letters of Credit and guaranties and other support thereof to be canceled and returned, or (C) deliver a stand-by letter (or letters) of credit in guaranty of such Letter of

Credit Obligations, which stand-by letter (or letters) of credit shall be of like tenor and duration as, and in an amount equal to one hundred three percent (103%) of the aggregate of the maximum amount then available to be drawn under, the Letters of Credit to which such outstanding Letter of Credit Obligations relate plus expected Letter of Credit Fees to be earned thereon and shall be issued by a Person, and shall be subject to such terms and conditions, as are satisfactory to Administrative Agent in its sole discretion.

(iii) From time to time after funds are deposited in the Cash Collateral Account by Borrower, whether before or after the Revolving Loan Commitment Termination Date, Administrative Agent may apply such funds or Cash Equivalents then held in the Cash Collateral Account to the payment of any amounts, in such order as Administrative Agent may elect, as shall be or shall become due and payable by Borrower to Lenders with respect to such Letter of Credit Obligations of Borrower and, upon the satisfaction in full of all Letter of Credit Obligations of Borrower, any remaining amount shall be (A) if an Event of Default has occurred and is continuing, applied to any other Obligations of Borrower then due and payable in the order set forth in Section 2.8, or (B) otherwise remitted to Borrower.

(iv) Neither Borrower nor any Person claiming on behalf of or through Borrower shall have any right to withdraw any of the funds or Cash Equivalents held in the Cash Collateral Account, except that upon the termination of all Letter of Credit Obligations and the payment of all amounts payable by Borrower to Lenders in respect thereof, any funds remaining in the Cash Collateral Account shall be (A) if an Event of Default has occurred and is continuing, applied to other Obligations when due and owing in the order set forth in Section 2.8 and, if the Termination Date shall have occurred, any remaining amount shall be paid to Borrower or as otherwise required by law or (B) otherwise remitted to Borrower.

(d) Fees and Expenses. Borrower agrees to pay to Administrative Agent, for the benefit of Revolving Lenders (although non-Defaulting Lenders, to the exclusion of Defaulting Lenders, shall be entitled to share on a pro rata basis, based on Revolving Loan Commitments, all fees described below which accrue for the benefit of Defaulting Lenders), as compensation to such Lenders for Letter of Credit Obligations incurred hereunder, (i) all out-of-pocket costs and expenses, but not fees, Administrative Agent or any Revolving Lender is required to reimburse any L/C Issuer in respect of any Letter of Credit and all other reasonable out-of-pocket costs and expenses incurred by Administrative Agent or any Revolving Lender on account of such Letter of Credit Obligations, and (ii) for each month during which any Letter of Credit Obligation shall remain outstanding, a fee (the "Letter of Credit Fee") in an amount equal to (A) a per annum rate equal to the Revolver LIBOR Margin in effect during such month multiplied by (B) the amount available from time to time to be drawn under the applicable Letter(s) of Credit. Such fee shall be paid to Administrative Agent, for the benefit of the Revolving Lenders, in arrears, on the first Business Day of each month. In addition, Borrower shall pay to any L/C Issuer, on demand, such normal and customary fees, charges and expenses of such L/C Issuer in respect of the issuance,

negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued.

(e) Request for Issuance of Letters of Credit. Borrower shall give Administrative Agent at least five (5) Business Days prior written notice requesting the issuance of any Letter of Credit, specifying the date such Letter of Credit is to be issued, identifying the beneficiary to which such Letter of Credit relates and describing the nature of the transactions proposed to be supported thereby. The notice shall be accompanied by the form of the requested Letter of Credit (which shall be reasonably acceptable to the L/C Issuer) and a completed L/C Application. Notwithstanding anything contained herein to the contrary, L/C Applications by Borrower and approvals by L/C Issuer may be made and transmitted pursuant to electronic codes and security measures mutually agreed upon and established by and among Borrower, Administrative Agent and the L/C Issuer.

(f) Obligation Absolute. The obligation of Borrower to reimburse Administrative Agent, Revolving Lenders and the applicable L/C Issuer for payments made under any Letter of Credit shall be absolute, unconditional and irrevocable, without necessity of presentment, demand, protest or other formalities, and the obligations of each Revolving Lender to make payments to Administrative Agent or the L/C Issuer with respect to Letters of Credit shall be unconditional and irrevocable. Such obligations of Borrower and Revolving Lenders shall be paid strictly in accordance with the terms hereof under all circumstances including the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit or this Agreement or the other Loan Documents or any other agreement;

(ii) the existence of any claim, set-off, defense or other right which Borrower or any of its Affiliates or any Revolving Lender may at any time have against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such transferee may be acting), Administrative Agent, any Revolving Lender, L/C Issuer, or any other Person, whether in connection with this Agreement, the Letter of Credit, the transactions contemplated herein or therein or any unrelated transaction (including any underlying transaction between Borrower or any of its Affiliates and the beneficiary for which the Letter of Credit was procured);

(iii) any draft, demand, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) payment by Administrative Agent or any L/C Issuer under any Letter of Credit or guaranty or other support thereof against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit or such guaranty or other support, except as set forth in the proviso to clause (iii) of the second paragraph of Section 2.2(g) below;

(v) any other circumstance or happening whatsoever, which is similar to any of the foregoing; or

(vi) the fact that a Default or an Event of Default shall have occurred and be continuing.

(g) Indemnification; Nature of Lenders' Duties. In addition to amounts payable as elsewhere provided in this Agreement, Borrower hereby agrees to pay and to protect, indemnify, and save harmless Administrative Agent, each Revolving Lender and each L/C Issuer from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) which Administrative Agent, any Revolving Lender or any L/C Issuer may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit or guaranty or other support thereof, or (ii) the failure of Administrative Agent, any Revolving Lender or of any L/C Issuer to honor a demand for payment under any Letter of Credit or guaranty or other support thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent as a result of the gross negligence or willful misconduct of Administrative Agent, such Revolving Lender or such L/C Issuer (as finally determined by a court of competent jurisdiction), as applicable. The obligations of Borrower under this Section 2.2(g) shall be deemed to constitute Guaranteed Indebtedness of the other Loan Parties under Section 13.1.

As between Administrative Agent, any Revolving Lender, any L/C Issuer and Borrower, Borrower assumes all risks of the acts and omissions of, or misuse of any Letter of Credit by beneficiaries of any Letter of Credit; provided that the benefits of this sentence shall not accrue in favor of any such Person found to have acted in a grossly negligent manner or to have engaged in willful misconduct (as finally determined by a court of competent jurisdiction). In furtherance and not in limitation of the foregoing, to the fullest extent permitted by law none of Administrative Agent, any Revolving Lender or L/C Issuer shall be responsible: (i) absent such Person's gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document issued by any party in connection with the application for and issuance of any Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to demand payment under such Letter of Credit; provided that in the case of any payment by Administrative Agent or the L/C Issuer under any Letter of Credit or guaranty or other support thereof, Administrative Agent or such L/C Issuer shall be liable to the extent such payment was made as a result of its gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) in determining that the demand for payment under such Letter of Credit or guaranty or other support thereof complies on its face with any applicable requirements for a demand for payment under such Letter of Credit or guaranty or

other support thereof; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a payment under any Letter of Credit or guaranty or other support thereof or of the proceeds thereof; (vii) for the credit of the proceeds of any drawing under any Letter of Credit or guaranty or other support thereof; and (viii) for any consequences arising from causes beyond the control of Administrative Agent, any Revolving Lender or any L/C Issuer. None of the above shall affect, impair, or prevent the vesting of any of Administrative Agent's, any Revolving Lender's or any L/C Issuer's rights or powers under this Agreement.

Nothing contained herein shall be deemed to limit or to expand any waivers, covenants or indemnities made by Borrower in favor of any L/C Issuer in any L/C Application, reimbursement agreement or similar document, instrument or agreement between or among Borrower and such L/C Issuer.

(h) Drawings and Reimbursements; Funding of Participations.

(i) Notwithstanding anything to the contrary contained herein, upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify Borrower and the Administrative Agent thereof. Not later than 2:00 p.m. New York time on the date of any payment by the L/C Issuer with respect to a Letter of Credit (each such date, an "L/C Honor Date"), Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Lender of the L/C Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and such Revolving Lender's Pro Rata Share thereof. In such event, Borrower shall be deemed to have requested a borrowing of a Revolving Loan that is an Index Rate Loan to be disbursed on the L/C Honor Date in an amount equal to the Unreimbursed Amount, regardless of whether a Default or Event of Default shall have occurred and be continuing and notwithstanding Borrower's failure to satisfy the conditions precedent set forth in Section 3. Any notice given by the L/C Issuer or the Administrative Agent pursuant to thisSection 2.2(h) may be given by telephone if promptly confirmed in writing; provided, however, that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Lender shall upon any notice pursuant to Section 2.2(h) wire transfer funds to the Administrative Agent's Account, for the benefit of the Administrative Agent on account of the L/C Issuer, in an amount equal to its Pro Rata Share of the Unreimbursed Amount not later than 2:00 p.m. New York time on the first Business Day following the L/C Honor Date or such later date specified in such notice by the Administrative Agent, whereupon, each Revolving Lender that so makes funds available shall be deemed to have made a Revolving Loan that is an Index Rate Loan to Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(i) Defaulting Lenders. If at any time a Revolving Lender is a Defaulting Lender, all or any part of any Defaulting Lender's participation in Letter of Credit Obligations shall be reallocated among the Revolving Lenders that are not Defaulting Lenders in accordance with their respective Pro Rata Shares of the Revolving Loan Commitment (calculated without regard to such Defaulting Lender's Revolving Loan Commitment) but only to the extent that (x) the conditions set forth in Section 3.04 are satisfied at the time of such reallocation (and, unless Borrower shall have otherwise notified Administrative Agent at such time, Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the Pro Rata Share of any Revolving Lender (that is not a Defaulting Lender) of the sum of all then outstanding Letter of Credit Obligations and Advances to exceed such Lender's Revolving Loan Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Lender that is not a Defaulting Lender as a result of such non-defaulting Lender's increased exposure following such reallocation. If such reallocation cannot, or can only partially, be effected, Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, cash collateralize the Issuing Lenders' Fronting Exposure in accordance with the procedures set forth in Section 2.2(c). For purposes of this Section, "Fronting Exposure" shall mean at any time there is a Defaulting Lender, such Defaulting Lender's Pro Rata Share of outstanding Letter of Credit Obligations other than Letter of Credit Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders or cash collateralized in accordance with the terms hereof.

Section 2.3 Prepayments.

(a) Voluntary Prepayments. Borrower may at any time and from time to time (i) voluntarily prepay all or part of the Advances, (ii) on at least five (5) Business Days' prior written notice to Administrative Agent, permanently reduce (but not terminate the Revolving Loan Commitment except in accordance with the provisions below) the aggregate Revolving Loan Commitment and/or Delayed Draw Term B Loan Commitment and (iii) on at least two (2) days' prior written notice to Administrative Agent, voluntarily prepay all or part of the Term Loans or the Incremental Term Loan; provided, however, that (A) any such prepayments or reductions shall be in a minimum amount of $250,000 and integral multiples of $50,000 in excess of such amount in the case of the Advances and Revolving Loan Commitment (or such lesser amount outstanding), (B) any such prepayments or reductions shall be in a minimum amount of $2,500,000 and integral multiples of $1,000,000 in excess of such amount in the case of the Term Loans and the Incremental Term Loan (or such lesser amount outstanding), and (C) any such reduction in the Revolving Loan Commitment shall only be permitted if, after giving effect thereto, Borrowing Availability less the aggregate outstanding principal balance of Advances shall not be less than $2,500,000. In addition, Borrower may at any time on at least five (5) Business Days' prior written notice to

Administrative Agent terminate the Revolving Loan Commitment; provided that upon the effective date of such termination, the entire portion of the principal amount of the Revolving Loan then outstanding and all other Revolver Obligations shall be immediately due and payable in full. Any such voluntary (or, per the immediately preceding sentence, required) prepayment of the Advances, the Term Loans and/or the Incremental Term Loan and any such reduction or termination of the Revolving Loan Commitment or Delayed Draw Term B Commitment must be accompanied by the payment of the fee required by Section 2.6(b), if any, plus the payment of any LIBOR funding breakage costs in accordance with Section 2.10, if any, plus, to the extent applicable, a premium as required bySection 2.3(g). Upon any such prepayment and reduction or termination of the Revolving Loan Commitment Borrower's right to request Advances and Letters of Credit shall simultaneously be permanently reduced or terminated, as the case may be; upon any such reduction or termination of the Delayed Draw Term B Loan Commitment Borrower's right to request Delayed Draw Term B Loans shall simultaneously be permanently reduced or terminated, as the case may be. Each notice of prepayment shall designate the Loans or other Obligations to which such prepayment is to be applied, provided that Protective Advances and interest thereon must be repaid before any prepayment is applied to any other Loan and any partial prepayment of the Term Loans or the Incremental Term Loan made by or on behalf of Borrower shall be applied to the remaining scheduled installments of the Term Loans and the Incremental Term Loan (including, in each case, the final installment due on each of the Term A Loan Maturity Date, the Delayed Draw Term B Loan Maturity Date and the maturity date with respect to the Incremental Term Loan) in the inverse order of maturity as to remaining installments (pro rata among Term A Loan, the Delayed Draw Term B Loan and the Incremental Term Loan based on the outstanding principal balances thereof). All reductions of the Revolving Loan Commitment shall be shared by the Revolving Lenders based on their Pro Rata Shares of the Revolving Loan Commitment.

(b) Mandatory Prepayments.

(i) If at any time the outstanding principal balance of the aggregate Revolving Loan exceeds an amount equal to (x) the Maximum Amount less (y) the aggregate Letter of Credit Obligations outstanding at such time, Borrower shall immediately repay the aggregate outstanding Advances to the extent required to eliminate such excess. If any such excess remains after repayment in full of the aggregate outstanding Advances, Borrower shall provide cash collateral, guaranties or other support to Administrative Agent for the Letter of Credit Obligations in the manner set forth in Section 2.2 to the extent required to eliminate such excess.

(ii) Within five (5) days of receipt by any Loan Party or any of its Subsidiaries of cash proceeds of any asset disposition (including any disposition of Stock of any Subsidiary of any Loan Party), insurance proceeds paid in respect of any casualty loss relating to any assets or property of such Person or proceeds of a Condemnation Event (other than asset disposition, insurance and/or Condemnation Event proceeds of less than $500,000 in the aggregate in any Fiscal Year and all proceeds of asset dispositions permitted by Section 7.8 (other than clauses (c) and (e)

thereof)) (in each case, net of (I) commissions and other reasonable and customary transaction costs, fees and expenses properly attributable to such transaction and payable by a Loan Party or its Subsidiary in connection therewith (in each case, paid to non-Affiliates), (II) transfer taxes, (III) amounts payable to holders of Liens (to the extent such Liens constitute Permitted Encumbrances hereunder), if any, and (IV) an appropriate reserve for income taxes and indemnification obligations in accordance with GAAP in connection therewith), Borrower shall prepay the Loans and other Obligations in an amount equal to all such net cash proceeds; provided that no prepayment shall be required in connection with such an asset disposition, casualty loss or Condemnation Event if the proceeds thereof are reinvested by the Person receiving such proceeds in assets useful in the business of the Loan Parties (or, in the case of insurance proceeds, used to repair, refurbish, restore, replace or rebuild the asset giving rise to such proceeds) within one hundred and eighty days following receipt thereof, but only to the extent that Borrower notifies Administrative Agent of such Person's intent to make such reinvestment within five (5) days of the time such proceeds are received and when such reinvestment occurs no Default or Event of Default shall then be in existence. Any such prepayment shall be applied in accordance with Section 2.3(c) below (either within five (5) days of receipt thereof or upon expiration of the 180-day period described above to the extent the net proceeds are not so reinvested (or, in the case of insurance proceeds, not used to repair, refurbish, restore, replace or rebuild the asset giving rise to such proceeds) within such period as permitted in this Section 2.3(b)(ii)), and shall be accompanied by LIBOR funding breakage costs to the extent required under the terms of this Agreement. Notwithstanding anything to the contrary contained in the foregoing, all insurance proceeds which are to be made available to a Loan Party or one of its Subsidiaries to reinvest shall, until such time as reinvested pursuant to the terms hereof, be maintained in a Blocked Account or held as Cash Equivalents in a securities account, for which the applicable securities intermediary has agreed, pursuant to a securities account control agreement reasonably acceptable to Administrative Agent, to comply with entitlement and disposition orders originated by Administrative Agent, without further consent or direction from any Loan Party or any other Person.

(iii) (A) If any Loan Party or any of its Subsidiaries issues Stock (other than issuances (1) by Holdings in connection with a public offering of such Stock pursuant to an effective registration statement under the Securities Act of 1933 (which such issuance is subject to Section 2.3(b)(iii)(B) below), (2) to management, employees or directors pursuant to stock option or similar plans or otherwise in connection with their employment or (3) by Borrower to Holdings or by any Subsidiary to another Loan Party), or incurs any Indebtedness (other than Indebtedness permitted to be incurred under Section 7.3), no later than the second Business Day following the date of receipt of the cash proceeds thereof by any Loan Party or any of its Subsidiaries, Borrower shall prepay the Loans and other Obligations in an amount equal to all such cash proceeds, net of underwriting discounts and commissions and other reasonable costs paid to non-Affiliates in

connection therewith. Any such prepayment shall be applied in accordance with Section 2.3(c) below and shall be accompanied by a premium pursuant to Section 2.3(g) and LIBOR funding breakage costs as required under the terms of this Agreement, in each case to the extent applicable.

(B) If any Loan Party or any of its Subsidiaries issues Stock in connection with a public offering of such Stock pursuant to an effective registration statement on Form S-1 or S-3 under the Securities Act of 1933, no later than the Business Day following the date of receipt of the proceeds thereof by any Loan Party or any of its Subsidiaries, Borrower shall prepay the Term Loans, the other Term Loan Obligations, the Incremental Term Loan and the other Incremental Term Loan Obligations in an amount equal to the lesser of such amount and the IPO Mandatory Prepayment Amount. Any such prepayment shall be applied in accordance with Section 2.3(c) below and shall be accompanied by LIBOR funding breakage costs as required under the terms of this Agreement, in each case to the extent applicable. Each such prepayment shall be accompanied by a certificate signed by a Responsible Officer of Borrower certifying the manner in which the IPO Mandatory Prepayment Amount was calculated.

(iv) [**Reserved**].

(v) Until the Termination Date, Borrower shall prepay the Loans and other Obligations on the date that is 120 days following the end of the Fiscal Year ending on or about December 31, 2012 and each Fiscal Year of Borrower thereafter, in an amount equal to fifty percent (50%) of Excess Cash Flow for the immediately preceding Fiscal Year); provided that the percentage of Excess Cash Flow that shall be required to be prepaid in accordance with this clause (v) in respect of a particular Fiscal Year shall be reduced to (A) twenty five percent (25%) if the Total Leverage Ratio as of the last day of such Fiscal Year is less than 2.00 to 1.00, and (B) zero percent (0%) if the Total Leverage Ratio as of the last day of such Fiscal Year is less than 1.00 to 1.00, in each case with respect to the foregoing clauses (A) and (B), as determined by the applicable Compliance Certificate delivered with the annual Financial Statements for such Fiscal Year pursuant to Section 5.1(d) (provided that in no event shall any such reduction occur unless Borrower delivers to Administrative Agent such a Compliance Certificate). Any such prepayment shall be applied in accordance with Section 2.3(c) below and shall be accompanied by LIBOR funding breakage costs to the extent required under the terms of this Agreement. Each such prepayment shall be accompanied by a certificate signed by a Responsible Officer of Borrower certifying the manner in which Excess Cash Flow and the resulting prepayment were calculated, which certificate shall be in the form of Exhibit 2.3(b)(v) hereto.

(c) Application of Certain Mandatory Prepayments. Subject to the provisions of Section 2.8, any prepayments made by Borrower pursuant to Sections 2.3(b)(ii) through (b)(v) shall be applied as follows: first, to Protective Advances; second, to the outstanding principal balance of the Term Loans and the Incremental Term Loan; third, to the outstanding principal balance of the Advances; and fourth, to any other Obligations then outstanding; provided that (i) any partial prepayment of the Term Loans and the Incremental Term Loan made by or on behalf of Borrower shall be applied to reduce the remaining scheduled installments of the Term Loans and the Incremental Term Loan (including, in each case, the final installment due on each of the Term A Loan Maturity Date, the Delayed Draw Term B Loan Maturity Date and the maturity date with respect to the Incremental Term Loan) in the inverse order of maturity as to remaining installments (pro rata among Term A Loan, Delayed Draw Term B Loan and Incremental Term Loan based on the then outstanding principal balances thereof), and (ii) any prepayment of a Loan shall be applied first to the portion of such Loan comprised of Index Rate Loans and then to the portion of such Loan comprised of LIBOR Loans, in the direct order of LIBOR Period maturities. Notwithstanding anything to the contrary contained herein, the Revolving Loan Commitment shall not be permanently reduced by the amount of any prepayments pursuant to Section 2.3(b).

(d) [**Reserved**].

(e) No Deemed Consent. Nothing in this Section 2.3 shall be construed to constitute Administrative Agent's or any Lender's consent to any transaction referred to in Sections 2.3(b)(ii) and (b)(iii) above which is not permitted by other provisions of this Agreement or the other Loan Documents.

(f) [**Reserved**].

(g) Prepayment Premium. All prepayments of the Term Loans and the Incremental Term Loan and/or the reduction or termination of the Revolving Loan Commitment made or required to be made prior to the second anniversary of the Closing Date (whether voluntary or mandatory, as applicable, and whether before or after acceleration of the Obligations, but in any event excluding ordinary course amortization payments made pursuant to Section 2.1(b)(ii)) shall be subject to an additional premium (to be paid to Administrative Agent for the benefit of the Term Loan Lenders, the Incremental Term Loan Lenders and/or the Revolving Lenders, as applicable, as liquidated damages and compensation for the costs of being prepared to make funds available hereunder with respect to the Term Loans, the Incremental Term Loan and the Revolving Loan Commitment) equal to the amount of such prepayment or reduction multiplied by (i) two percent (2.0%), with respect to prepayments or reductions made after the Closing Date but prior to the first anniversary of the Closing Date, and (ii) one percent (1.0%), with respect to prepayments or reductions made on or after the first anniversary of the Closing Date but prior to the second anniversary of the Closing Date; provided, however, this Section 2.3(g) shall not apply to any prepayment or commitment reduction or termination required under Section 2.3(b)(i), 2.3(b)(iii)(B) or 2.3(b)(v) or any other prepayment made with the proceeds of a public offering of Stock pursuant to an effective registration statement under the Securities Act of 1933. On or after the second anniversary of the Closing Date, no premiums or penalties shall be payable pursuant to this Section 2.3(g) in connection with any prepayments of the Term

Loans or Incremental Term Loan and/or the reduction or termination of the Revolving Loan Commitment other than LIBOR funding breakage costs as required under the terms of this Agreement. A prepayment premium (in the amount described above) shall also be payable by Borrower with respect to the Loans and Commitments of a Lender replaced by a Replacement Lender. Such premium shall be paid to the Lender being replaced at the time of replacement, subject to the limitations set forth in Section 10.9(f).

Section 2.4 Use of Proceeds.

Borrower shall utilize the proceeds of the Loans funded under the Revolving Loan Commitment and the proceeds of the Term A Loan solely for financing the Dividend Recapitalization, refinancing certain obligations of Borrower and its Subsidiaries on the Closing Date (as set forth with more specificity on Schedule 2.4), payment of fees, costs and expenses in connection with this Agreement and the Related Transactions and the funding of Borrower's working capital and for other general corporate purposes (including Capital Expenditures not made in violation of the terms of this Agreement). Schedule 2.4 contains a description of Borrower's sources and uses of funds as of the Closing Date, including Loans and Letter of Credit Obligations to be made or incurred on that date. Borrower shall utilize proceeds of any Delayed Draw Term B Loan or any Incremental Term Loan first to repay all Revolving Loans outstanding on the date of such Delayed Draw Term B Loan or any Incremental Term Loan and thereafter for funding of Borrower's working capital and for other general corporate purposes (including Capital Expenditures not made in violation of the terms of this Agreement).

Section 2.5 Interest and Applicable Margins.

(a) Borrower shall pay interest to Administrative Agent, for the ratable benefit of Lenders in accordance with the Loans made by each Lender, in each case in arrears on each applicable Interest Payment Date, at the following rates: (i) with respect to the outstanding Advances and all other Obligations (other than the Term Loans and Incremental Term Loan) that are due and payable, the Index Rate plus the Revolver Index Margin per annum or, at the election of Borrower with respect to the outstanding Advances, the applicable LIBOR Rate plus the Revolver LIBOR Margin per annum, based on the aggregate outstanding Advances and such other Obligations (other than Term Loans and Incremental Term Loan) that are due and payable from time to time, (ii) with respect to the Term A Loan, the Index Rate plus the Term A Loan Index Margin per annum or, at the election of Borrower, the applicable LIBOR Rate plus the Term A Loan LIBOR Margin per annum and (iii) with respect to the Delayed Draw Term B Loan, the Index Rate plus the Delayed Draw Term B Loan Index Margin per annum or, at the election of Borrower, the applicable LIBOR Rate plus the Delayed Draw Term B Loan LIBOR Margin per annum. For the period commencing on the Closing Date and continuing through the last day of the Fiscal Month during which the Financial Statements and corresponding Compliance Certificate for the Fiscal Quarter ending on or about June 30, 2012 are delivered to Administrative Agent in accordance with Section 5.1(b), the Revolver Index Margin, the Term A Loan Index Margin and the Delayed Draw Term B Loan Index Margin will each be the

applicable per annum interest rate set forth below and corresponding to Level I in the table below. Thereafter, the Revolver Index Margin, the Term A Loan Index Margin, the Delayed Draw Term B Loan Index Margin, the Revolver LIBOR Margin, the Term A Loan LIBOR Margin and the Delayed Draw Term B Loan LIBOR Margin shall equal the applicable per annum interest rates in effect from time to time determined as set forth below based upon the applicable Total Leverage Ratio then in effect pursuant to the appropriate column under the table below:

Advances, Term A Loan and Delayed Draw Term B Loan

Level	Total Leverage Ratio	Revolver Index Margin, Term A Loan Index Margin and Delayed Draw Term B Loan Index Margin	Revolver LIBOR Margin, Term A Loan LIBOR Margin and Delayed Draw Term B Loan LIBOR Margin
I	Greater than or equal to 2.00 to 1.00	5.50%	7.00%
II	Less than 2.00 to 1.00	4.00%	5.50%

Each of the Revolver Index Margin, the Term A Loan Index Margin, the Delayed Draw Term B Loan Index Margin, the Revolver LIBOR Margin, the Term A Loan LIBOR Margin and the Delayed Draw Term B Loan LIBOR Margin shall be adjusted from time to time upon delivery to the Administrative Agent of the Financial Statements for the last Fiscal Month of each Fiscal Quarter required to be delivered pursuant to Section 5.1(a) hereof accompanied by a written calculation of the Total Leverage Ratio pursuant to a properly completed Compliance Certificate delivered to Administrative Agent with such Financial Statements pursuant to Section 5.1(b) hereof. If such calculation indicates that any of the Revolver Index Margin, the Term A Loan Index Margin, the Delayed Draw Term B Loan Index Margin, the Revolver LIBOR Margin, the Term A Loan LIBOR Margin or the Delayed Draw Term B Loan LIBOR Margin shall increase or decrease, then on the first day of the month following the month in which such Financial Statements and Compliance Certificate are delivered to Administrative Agent, the Revolver Index Margin, the Term A Loan Index Margin, the Delayed Draw Term B Loan Index Margin, the Revolver LIBOR Margin, the Term A Loan LIBOR Margin and the Delayed Draw Term B Loan LIBOR Margin, as applicable, shall be adjusted in accordance therewith; provided, however, that if Borrower shall fail to deliver any such Financial Statements or Compliance Certificate for any such Fiscal Quarter by the date required pursuant to the applicable clause of Section 5.1, then, effective as of the first day of the month following the end of the month during which such Financial Statements were to have been delivered, and continuing through the last day of the month in which such Financial Statements and such written calculation are finally delivered (if ever), each of the Revolver Index Margin, the Term A Loan Index Margin, the Delayed Draw Term B Loan

Index Margin, the Revolver LIBOR Margin, the Term A Loan LIBOR Margin and the Delayed Draw Term B Loan LIBOR Margin shall be conclusively presumed to equal the highest interest rate applicable to each of the foregoing as specified in the pricing tables set forth above; provided further, however, that during the existence of any Event of Default, at the election of Administrative Agent or Requisite Lenders, none of the Margins shall decrease as otherwise set forth above. If either Borrower or Administrative Agent determines in good faith that the calculation of Total Leverage Ratio on which the applicable interest rate for any particular period was determined is inaccurate, and such inaccuracy, if corrected, would have led to the imposition of a higher interest rate for any period than the interest rate actually applied for that period, (i) Borrower shall promptly deliver to Administrative Agent a correct Compliance Certificate for such period (and if such Compliance Certificate is not accurately restated and delivered within ten (10) Business Days after the first discovery of such inaccuracy or upon notice by Administrative Agent of such determination, then the highest pricing level set forth above shall apply retroactively for such period notwithstanding any subsequent restatement thereof after such ten (10) day period), (ii) Administrative Agent shall notify Borrower of the amount of interest that would have been due in respect of any outstanding Obligations during such period had the applicable rate been calculated based on the correct Total Leverage Ratio (or the highest pricing level set forth above if a correct Compliance Certificate was not delivered within the ten (10) day period) and (iii) Borrower shall promptly pay to Administrative Agent, for the benefit of the Lenders, the difference between the amount that would have been due and the amount actually paid in respect of such period. Interest rates and applicable margins with respect to any Incremental Term Loan shall be as set forth in the amendment to this Agreement that is executed and delivered in connection with the making of such Incremental Term Loan.

(b) If any payment on any Loan becomes due and payable on a day other than a Business Day, the due date thereof will be extended to the next succeeding Business Day (except for interest on a LIBOR Loan accrued during any LIBOR Period which, pursuant to clause (a) of the definition of LIBOR Period is required to end on the LIBOR Business Day immediately preceding the day on which, but for such clause (a), it would have ended and except for the principal portion of such LIBOR Loan payable on such day, which will also be paid on said immediately preceding LIBOR Business Day), and, with respect to payment of principal, interest thereon shall accrue at the then applicable rate during such extension.

(c) All computations of (i) Fees and (ii) interest on the LIBOR Loans, shall be made on the basis of a three hundred sixty (360) day year and the actual number of days occurring in the period for which such interest and Fees are payable. All computations of interest on the Index Rate Loans shall be made on the basis of a three hundred sixty-five (365) day year (three hundred sixty-six (366) days in the case of a leap year) and the actual number of days occurring in the period for which such interest is payable. The Index Rate shall be determined each day based upon the Index Rate as in effect each day. Each determination by Administrative Agent of an interest rate hereunder shall be final, binding and conclusive, absent manifest error.

(d) Automatically and for so long as any Event of Default shall have occurred and be continuing under Section 9.1(a), (h) or (i) (or at the election of Administrative Agent or Requisite Lenders for so long as any other Event of Default shall have occurred and be continuing), the interest rates applicable to the Loans and the Revolver LIBOR Margin used in the determination of the Letter of Credit Fee shall be increased by two percentage points (2%) per annum above the rates otherwise applicable hereunder (the "Default Rate") and all other outstanding Obligations shall bear interest at a Default Rate equal to (i) in the case of past due interest, the Default Rate applicable to the Loans giving rise to such interest and (ii) in the case of all other Obligations, the Default Rate applicable to Advances that are Index Rate Loans.

(e) Borrower shall have the option to (i) request that any Advances or all or any portion of the Term Loans or Incremental Term Loan be made as a LIBOR Loan, (ii) convert at any time all or any part of outstanding Loans from Index Rate Loans to LIBOR Loans, (iii) convert any LIBOR Loan to an Index Rate Loan, subject to payment of LIBOR breakage costs in accordance with Section 2.10 if such conversion is made prior to the expiration of the LIBOR Period applicable thereto, or (iv) continue all or any portion of any Loan as a LIBOR Loan upon the expiration of the applicable LIBOR Period and the succeeding LIBOR Period of that continued Loan shall commence on the last day of the LIBOR Period of the Loan to be continued. Loans for which Borrower has not elected the LIBOR option shall be Index Rate Loans. During the continuation of any Default or Event of Default or at such time as any of the additional conditions precedent set forth in Section 3.4 shall not have been satisfied, Administrative Agent or Requisite Lenders may terminate Borrower's right to exercise the options set forth in this Section 2.5(e) (other than clause (iii) hereof). Any Loan to be made or continued as, or converted into, a LIBOR Loan must be in a minimum amount of $250,000 and integral multiples of $100,000 in excess of such amount. Any such election must be made by noon New York time on the third (3rd) Business Day prior to (1) the date of any proposed Advance which is to bear interest at the LIBOR Rate, (2) the end of each LIBOR Period with respect to any LIBOR Loans to be continued as such, or (3) the date on which Borrower wishes to convert any Index Rate Loan to a LIBOR Loan for a LIBOR Period designated by Borrower in such election. If no election is received with respect to a LIBOR Loan by noon New York time on the third (3rd) Business Day prior to the end of the LIBOR Period with respect thereto, that LIBOR Loan shall be converted to an Index Rate Loan at the end of its LIBOR Period. Borrower must make such election by notice to Administrative Agent in writing, by telecopy or overnight courier. In the case of any conversion or continuation, such election must be made pursuant to a written notice (a "Notice of Conversion/Continuation") substantially in the form of Exhibit 2.5(e). Notwithstanding the foregoing, (i) at no time shall there be more than five (5) LIBOR Loans outstanding and (ii) Loans shall not be permitted to bear interest at the LIBOR Rate until July 1, 2011.

(f) Notwithstanding anything to the contrary set forth in this Section 2.5, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest

payable hereunder shall be equal to the Maximum Lawful Rate; provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Administrative Agent, on behalf of Lenders, is equal to the total interest which would have been received had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 2.5(a) through (e) above, unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this paragraph shall again apply. In no event shall the total interest received by any Lender pursuant to the terms hereof exceed the amount which such Lender could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this Section 2.5(f), a court of competent jurisdiction shall finally determine that a Lender has received interest hereunder in excess of the Maximum Lawful Rate, Administrative Agent shall, to the extent permitted by applicable law, promptly apply such excess in the order specified in Section 2.8 and thereafter shall refund any excess to Borrower or as a court of competent jurisdiction may otherwise order.

Section 2.6 Fees.

(a) Borrower shall pay to the Administrative Agent, for the Administrative Agent's own account, fees in the amounts and at the times set forth in a letter agreement between Borrower and the Administrative Agent dated as of the Closing Date (as amended from time to time, the "Fee Letter").

(b) As additional compensation for the Revolving Lenders (other than any Defaulting Lender) and Delayed Draw Term B Loan Lenders (other than any Defaulting Lender), as applicable, Borrower agrees to pay to Administrative Agent, for the ratable benefit of such Lenders, in arrears, on the first Business Day of each month prior to the Revolving Loan Commitment Termination Date or Delayed Draw Term B Loan Commitment Termination Date, as applicable, and on the Revolving Loan Commitment Termination Date or Delayed Draw Term B Loan Commitment Termination Date, as applicable, a fee in respect of the Lenders' Revolving Loan Commitments or Delayed Draw Term B Loan Commitments, as applicable, in an amount equal to one half of one percent (.50%) per annum (calculated on the basis of a 360 day year for actual days elapsed) of the excess, if any, of each of (1)(x) the Maximum Amount (as it may be reduced from time to time) and (y) the average for the period of the daily closing balances of the aggregate Revolving Loan outstanding (including in such outstanding closing balances, Letters of Credit and, without duplication, corresponding Letter of Credit Obligations) during the period for which such fee is due and (2)(x) the aggregate Delayed Draw Term B Loan Commitment less the original principal amount of all Delayed Draw Term B Loans made and (y) the average for the period of the daily closing balances of the aggregate Delayed Draw Term B Loans outstanding during the period for which such fee is due.

Section 2.7 Receipt of Payments.

(a) With respect to payments under this Agreement and the other Loan Documents on account of all Revolver Obligations, Term Loan Obligations, Incremental Term Loan Obligations and other Obligations payable to Administrative Agent or any Lender in its capacity as such, Borrower shall make each such payment not later than 2:00 p.m. New York time on the day when due in immediately available funds in Dollars to the Administrative Agent's Account (or to such other account(s) as are designated in writing by Administrative Agent to Borrower pursuant to the last sentence of this Section 2.7(a)). For purposes of computing interest and Fees and determining Borrowing Availability as of any date, all payments shall be deemed received on the day of receipt of immediately available funds therefor in the Administrative Agent's Account (or such other account(s) as are designated in writing by Administrative Agent to Borrower pursuant to the last sentence of this Section 2.7(a)), as applicable and in accordance with the terms of this Agreement, prior to 2:00 p.m. New York time. Payments received after 2:00 p.m. New York time on any Business Day may in the Administrative Agent's discretion be deemed to have been received on that day or the following Business Day. Upon written notice to Borrower from Administrative Agent (which notice may be given at any time and from time to time and in Administrative Agent's sole and absolute discretion), Borrower shall make payments that are owed to or for the benefit of any Secured Party directly to the Secured Party entitled thereto pursuant to wire transfer instructions provided by Administrative Agent in such notice.

(b) Payments received by Administrative Agent in respect of the Obligations (including without limitation the proceeds of Collateral), if received by 2:00 p.m. New York time on any Business Day, will be paid to the Lenders based upon their applicable Pro Rata Shares of such payments on such day, and in the event that any such amounts are received after 2:00 p.m. New York time on a Business Day, such amount shall be paid to the Lenders based upon their applicable Pro Rata Shares no later than the next Business Day. Notwithstanding the foregoing, Administrative Agent shall be entitled to set off any funding shortfall attributable to a Defaulting Lender (of the type described in clause (a) of the definition of Defaulting Lender) against that Defaulting Lender's respective share of amounts otherwise to be paid to such Defaulting Lender.

Section 2.8 Application and Allocation of Payments.

(a) Notwithstanding anything to the contrary contained in this Agreement, if an Event of Default has occurred and is continuing Borrower hereby irrevocably waives the right to direct the application of payments received from or on behalf of Borrower, and Borrower hereby irrevocably agrees, as between Borrower on the one hand and Administrative Agent and Lenders on the other, that Administrative Agent shall have the continuing exclusive right to apply any and all such payments against the Obligations as Administrative Agent may deem advisable in accordance with the terms hereof.

(b) Following the occurrence and during the continuance of an Event of Default, but absent the occurrence and continuance of an Acceleration Event, Administrative Agent shall apply any and all payments received by Administrative Agent in respect of the Obligations, and any and all proceeds of Collateral received by Administrative Agent, in such order as Administrative Agent may from time to time elect. In the absence of any specific election made by Administrative Agent pursuant to this clause (b), or if directed in writing by Requisite Lenders, payments and proceeds received by Administrative Agent pursuant to this clause (b) shall be applied in the following order: first, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to Administrative Agent in its capacity as such with respect to this Agreement, the other Loan Documents or the Collateral; second, to accrued and unpaid interest on Protective Advances;third, to Protective Advances; fourth, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to any Lender with respect to this Agreement, the other Loan Documents or the Collateral; fifth, to accrued and unpaid interest on all other Obligations; sixth, ratably to the principal amount of all other Obligations then due and owing and to provide cash collateral to secure any then outstanding Letter of Credit Obligations and payment of related fees and to provide cash collateral to secure Priority Hedge Agreement Exposure; seventh, to all other outstanding Obligations (other than those described in clauses eighth and ninth below); eighth, to provide cash collateral to secure any asserted contingent Obligations other than Obligations in respect of Hedge Agreements; and ninth, without duplication of amounts set forth above, to provide cash collateral to secure Obligations owing to any Eligible Hedge Counterparty in respect of Hedge Agreements.

(c) Notwithstanding anything to the contrary contained in this Agreement, if an Acceleration Event shall have occurred, and so long as it continues, Administrative Agent shall apply any and all payments received by Administrative Agent in respect of the Obligations, and any and all proceeds of Collateral received by Administrative Agent, in the following order: first, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to Administrative Agent in its capacity as such with respect to this Agreement, the other Loan Documents or the Collateral; second, to accrued and unpaid interest on Protective Advances;third, to Protective Advances; fourth, to all fees, costs, indemnities, liabilities, obligations and expenses incurred by or owing to any Lender with respect to this Agreement, the other Loan Documents or the Collateral; fifth, to accrued and unpaid interest on all other Obligations (including any interest which, but for the provisions of the Bankruptcy Code, would have accrued on such amounts); sixth, ratably to the principal amount of all other Obligations outstanding, and to provide cash collateral to secure any and all then outstanding Letter of Credit Obligations and payment of related fees and to provide cash collateral to secure Priority Hedge Agreement Exposure; seventh, to all other outstanding Obligations and asserted contingent Obligations excluding Obligations in respect of Hedge Agreements; and eighth, without duplication of amounts set forth above, to Obligations owing to any Eligible Hedge Counterparty in respect of any Hedge Agreements.

(d) Any balance remaining after giving effect to the applications set forth in thisSection 2.8 shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out any of the applications set forth in this Section 2.8, (i) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category and (ii) each of the Persons entitled to receive a payment or cash collateral in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category.

(e) Administrative Agent is authorized (but not obligated) to, and at its sole election may, charge to the Revolving Loan balance on behalf of Borrower and cause to be paid all Fees, expenses, Charges, costs (including insurance premiums in accordance with Section 6.4(a)) and interest and principal, other than principal of the Revolving Loan (and during the continuance of an Event of Default, other than the principal and any interest on any Term Loan or Incremental Term Loan), owing by Borrower under this Agreement or any of the other Loan Documents if and to the extent Borrower fails to promptly pay any such amounts as and when due, even if such charges would cause the balance of the aggregate Advances to exceed Borrowing Availability. Any charges so made shall, unless prohibited by applicable law, constitute part of the Revolving Loan hereunder and may be made regardless of whether the conditions set forth in Section 3.4 are then satisfied, including the existence of any Default or Event of Default either before or after giving effect thereto. Administrative Agent will endeavor to give Borrower prompt notice of any such action, provided that the failure to give such notice shall not in any way impair or affect Administrative Agent's rights under this Section 2.8(e).

Section 2.9 Protective Advances.

(a) Administrative Agent is authorized by Borrower and the Lenders to, from time to time in Administrative Agent's sole good faith discretion (but Administrative Agent shall not have any obligation to), make disbursements and advances to Borrower, on behalf of all Lenders, which Administrative Agent, in its sole good faith discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 12.3) and other sums payable under the Loan Documents (any of such loans are herein referred to as "Protective Advances"); provided that after giving effect to the making of a Protective Advance the aggregate amount of outstanding Protective Advances shall not exceed $1,000,000. Protective Advances may be made even if the conditions precedent set forth in Section 3.4 have not been satisfied. The Protective Advances shall be secured by the Liens in favor of Administrative Agent in and to the Collateral and shall constitute Obligations hereunder. All Protective Advances shall accrue interest at a per annum rate equal to the Index Rate plus the Revolver Index Margin plus, at all times an Event of Default has occurred and is continuing, two percent (2%). Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Requisite Lenders. Any such revocation must be in writing and shall become effective prospectively upon Administrative Agent's receipt thereof. Administrative Agent will endeavor to give Borrower and the Lenders prompt notice of any Protective Advance, provided that the failure to give such notice shall not in any way impair or affect Administrative Agent's rights under this Section 2.9(a).

(b) Upon the making of a Protective Advance by Administrative Agent (whether before or after the occurrence of a Default), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Administrative Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Pro Rata Share thereof (as determined by clause (d) of the definition of Pro Rata Share), payable on demand of Administrative Agent. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, Administrative Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share thereof (as determined by clause (e) of the definition of Pro Rata Share) of all payments of principal and interest and all proceeds of Collateral received by Administrative Agent in respect of such Protective Advance.

Section 2.10 LIBOR Breakage.

To induce Lenders to provide the LIBOR Rate option on the terms provided herein, if (i) any LIBOR Loans are repaid in whole or in part prior to the last day of any applicable LIBOR Period (whether that repayment is made pursuant to any provision of this Agreement or any other Loan Document or is the result of acceleration, by operation of law or otherwise); (ii) Borrower shall default in payment when due of the principal amount of or interest on any LIBOR Loan; (iii) Borrower shall default in making any borrowing of, conversion into or continuation of LIBOR Loans after Borrower has given notice requesting the same in accordance herewith; or (iv) Borrower shall fail to make any prepayment of a LIBOR Loan after Borrower has given a notice thereof in accordance herewith, Borrower shall indemnify and hold harmless each Lender from and against all losses (other than lost profits), costs and expenses resulting from or arising from any of the foregoing. Such indemnification shall include any loss (other than lost profits) or expense arising from the reemployment of funds obtained by it or from fees payable to terminate deposits from which such funds were obtained. For the purpose of calculating amounts payable to a Lender under this subsection, each Lender shall be deemed to have actually funded its relevant LIBOR Loan through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Loan and having a maturity comparable to the relevant LIBOR Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this subsection. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other Obligations. As promptly as practicable under the circumstances, each Lender shall provide Borrower with its written calculation of all amounts payable pursuant to this Section 2.10, and such calculation shall, absent manifest error, be binding on the parties hereto unless Borrower shall object in writing within ten (10) Business Days of receipt thereof, specifying the basis for such objection in detail.

Section 2.11 Taxes.

(a) Any and all payments by a Loan Party hereunder (including any payments made pursuant toArticle XIII) or under the Notes or any other Loan Document shall be made, in accordance with this Section 2.11, free and clear of and without deduction for any and all present or future Indemnified Taxes. If a Loan Party shall be required by any Requirement of Law to deduct any Indemnified Taxes from or in respect of any sum payable hereunder (including any sum payable pursuant to Article XIII) or under the Notes or any other Loan Document, (i) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.11) Administrative Agent or Lenders, as applicable, receive an amount equal to the sum they would have received had no such deductions been made, (ii) such Loan Party shall make such deductions, and (iii) such Loan Party shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law.

(b) Each Loan Party that is a signatory hereto shall jointly and severally indemnify and, within ten (10) days of demand therefor, pay Administrative Agent and each Lender for the full amount of Indemnified Taxes (including any Indemnified Taxes imposed by any jurisdiction on amounts payable under this Section 2.11) paid by Administrative Agent or such Lender, as appropriate, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally asserted.

(c) Each Lender organized under the laws of a jurisdiction outside the United States (a "Foreign Lender") as to which payments to be made under this Agreement or under the Notes or any other Loan Document are exempt from United States withholding tax under an applicable statute or tax treaty shall provide to Borrower and Administrative Agent a properly completed and executed IRS Form W-8ECI or Form W-8BEN or other applicable form, certificate or document prescribed by the IRS or the United States certifying as to such Foreign Lender's entitlement to such exemption (a "Certificate of Exemption"). Any foreign Person that seeks to become a Lender under this Agreement shall provide a Certificate of Exemption to Borrower and Administrative Agent prior to becoming a Lender hereunder. No foreign Person may become a Lender hereunder if such Person is unable to deliver a Certificate of Exemption in advance of becoming a Lender.

(d) Each Lender that is a United States person under Section 7701(a)(30) of the IRC shall, at the reasonable request of Borrower or Administrative Agent, deliver to the requesting party two (2) United States Internal Revenue Service Form W-9 (or substitute or successor form), properly completed and duly executed, certifying that such Lender is exempt from United States backup withholding.

Section 2.12 Capital Adequacy; Increased Costs; Illegality.

(a) If any Lender shall have determined that the adoption after the date hereof of any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by any Lender with any request or directive regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law), in each case adopted after the Closing Date (or at any time with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith), from any central bank or other Governmental Authority increases or would have the effect of increasing the amount of capital, reserves or other funds required to be maintained by such Lender and thereby reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder, then Borrower shall from time to time upon demand by such Lender (with a copy of such demand to Administrative Agent) pay to Administrative Agent for the account of such Lender, additional amounts sufficient to compensate such Lender for such reduction. A certificate as to the amount of that reduction and showing the basis of the computation thereof submitted by such Lender to Borrower and to Administrative Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

(b) If, due to either (i) the introduction of or any change in any law or regulation (or any change in the interpretation thereof) or (ii) the compliance with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in each case applied after the Closing Date (or at any time with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining any LIBOR Loan (other than with respect to Indemnified Taxes covered by Section 2.11 or Excluded Taxes), then Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to Administrative Agent) pay to Administrative Agent for the account of such Lender, additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to Borrower and to Administrative Agent by such Lender, shall be conclusive and binding on Borrower for all purposes, absent manifest error. Each Lender agrees that as promptly as practicable after it becomes aware of any circumstances referred to above which would result in any such increased cost, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by Borrower pursuant to this Section 2.12(b).

(c) Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law or regulation (or any change in the interpretation thereof) shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender to agree to make or to make or to continue to fund or maintain any LIBOR Loan, then, unless that Lender is able to make or to continue to fund or

to maintain such LIBOR Loan at another branch or office of that Lender without, in that Lender's opinion, adversely affecting it or its Loans or the income obtained therefrom, on notice thereof and demand therefor by such Lender to Borrower through Administrative Agent, (i) the obligation of such Lender to agree to make or to make or to continue to fund or maintain LIBOR Loans shall terminate and (ii) Borrower shall forthwith prepay in full all outstanding LIBOR Loans owing by Borrower to such Lender, together with interest accrued thereon, unless Borrower, within five (5) Business Days after the delivery of such notice and demand, converts all such Loans into Loans bearing interest based on the Index Rate.

(d) The obligation of Borrower to make payments to any Lender pursuant to Sections 2.12(a) and 2.12(b) shall be limited to amounts that accrue on and after the day which is one hundred eighty (180) days prior to the date on which such Lender first makes demand therefor; provided that, if the circumstances giving rise to such payments have a retroactive effect, then such one hundred eighty (180) day period shall be extended to include the period of such retroactive effect.

Section 2.13 Lenders' Evidence of Indebtedness.

Borrower agrees that: (i) upon written notice by any Lender to Borrower that a promissory note or other evidence of indebtedness is requested by such Lender to evidence the Loans and other Obligations owing or payable to, or to be made by, such Lender, Borrower shall promptly execute and deliver to such Lender an appropriate Revolving Note (substantially in the form of Exhibit 2.13(a)), Term A Loan Note (substantially in the form of Exhibit 2.13(b)(i)), Delayed Draw Term B Loan Note (substantially in the form of Exhibit 2.13(b)(ii)) or Incremental Term Loan Note (substantially in the form of Exhibit 2.13(b)(iii)) and (ii) upon any Lender's written request, Borrower shall promptly execute and deliver to such Lender new notes and/or divide the notes in exchange for then existing notes in such smaller amounts or denominations as such Lender shall specify in its sole and absolute discretion; provided, that the aggregate principal amount of such new notes shall not exceed the aggregate principal amount of the applicable Revolving Note, Term A Loan Note, Delayed Draw Term B Loan Note or Incremental Term Loan Note outstanding at the time such request is made; and provided, further, that such Notes that are to be replaced shall then be deemed no longer outstanding hereunder and replaced by such new notes and returned to Borrower within a reasonable period of time after such Lender's receipt of the replacement notes. Regardless whether or not any such promissory notes are issued, this Agreement shall evidence the Loans and other Obligations owing or payable by Borrower to the Lenders.

Section 2.14 Single Loan.

All Loans to Borrower and all of the other Obligations arising under this Agreement and the other Loan Documents shall constitute one general obligation of Borrower secured, until the Termination Date, by all of the Collateral.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Conditions to the Initial Loans.

No Lender shall be obligated to make any Loan or incur any Letter of Credit Obligations on the Closing Date, or to take, fulfill, or perform any other action hereunder, until the following conditions have been satisfied or provided for in a manner reasonably satisfactory to Administrative Agent, or waived in writing by Administrative Agent and Lenders:

(a) Documents. Administrative Agent shall have received each of the agreements, instruments, documents and other items set forth on Annex B, each in form and substance reasonably satisfactory to Administrative Agent and each fully executed, as applicable.

(b) Officer's Certificate. The Officer's Certificate set forth on Annex B shall be dated the Closing Date, and state that (i) since December 31, 2010: (A) no event or condition has occurred or is existing which could reasonably be expected to have a Material Adverse Effect and (B) no Litigation has been commenced that could reasonably be expected to have a Material Adverse Effect or that challenges any of the transactions contemplated by this Agreement and the other Loan Documents; (ii) no Default or Event of Default exists or would exist taking into account the Loans to be made on the Closing Date, (iii) the representations and warranties made by the Loan Parties in this Agreement and in the other Loan Documents are true and correct in all respects as of the Closing Date (unless such representation or warranty is expressly made as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date), and (iv) the EBITDA Requirement, Leverage and Opening Availability conditions set forth below have been satisfied.

(c) EBITDA Requirement. The Loan Parties and their Subsidiaries shall have consolidated EBITDA of not less than $15,200,000 for the trailing twelve calendar months, measured as of March 27, 2011.

(d) Financials; Financial Condition. Administrative Agent shall have received the Financial Statements described in Section 4.4(a) certified by a Responsible Officer of Borrower, in each case in form and substance reasonably satisfactory to Administrative Agent, and Administrative Agent shall be satisfied, in its sole discretion therewith. The Solvency Certificate set forth on Annex B shall state that (i) the Loan Parties, on a consolidated basis, will be Solvent upon the consummation of the transactions contemplated herein and the Related Transactions; (ii) the Pro Forma Balance Sheet fairly presents the financial condition of Borrower and each of its Subsidiaries on a consolidated basis as of the date thereof after giving effect to the transactions contemplated by the Loan Documents; and (iii) the Projections are based upon estimates and assumptions and which

Borrower believes to be reasonable and fair in light of current conditions and current facts known to Borrower and, as of the Closing Date, reflect Borrower's good faith and reasonable estimates of future financial performance of Borrower and each of its Subsidiaries and of the other information projected therein for the period set forth therein.

(e) Approvals; Waivers. Administrative Agent shall have received (i) satisfactory evidence that the Loan Parties have obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Loan Documents and the consummation of the Related Transactions other than organizational approvals with respect to the Dividend Recapitalization or (ii) an officer's certificate in form and substance satisfactory to Administrative Agent affirming that no such consents or approvals are required.

(f) Opening Availability Requirement. On the Closing Date, and after allowing for the payment of all fees, costs and expenses in connection with this Agreement and the Related Transactions, Borrower shall have, on a consolidated basis, at least $3,500,000 of "excess borrowing availability," which for this purpose shall mean the unused but available credit under the Revolving Loan Commitment.

(g) Payment of Fees. Borrower shall have paid the Fees required to be paid on the Closing Date in the respective amounts specified in Section 2.6, and shall have reimbursed Administrative Agent for all fees, costs and expenses of closing presented as of the Closing Date.

(h) Leverage Requirement. The Total Leverage Ratio, measured as of March 27, 2011 (using EBITDA calculated in accordance with Section 3.1(c) and assuming the Related Transactions had occurred), shall not be more than 3.75 to 1.00.

(i) [**Reserved**].

(j) Due Diligence; No Adverse Change of Events. Administrative Agent shall be satisfied in its sole discretion with its due diligence investigation of the Loan Parties and their Subsidiaries and there shall not exist in Administrative Agent's sole discretion (i) any event or condition that has had or could reasonably be expected to have a Material Adverse Effect or (ii) any adverse change in any material vendor relationship or any law or regulation which, in the opinion of Administrative Agent's counsel, prevents or prohibits the borrowing of the Loans to be made on the Closing Date or which would adversely affect the economic benefits expected to be realized by the Lenders herein or in any other Loan Document.

(k) Other Documents. Administrative Agent shall have received (i) all forms and information required by the U.S. Small Business Administration, including, without limitation, SBA Forms 480 and 652, (ii) all information that will allow Administrative Agent and Lenders to identify the Loan Parties in accordance with the USA Patriot Act requested by them and (iii) such other certificates, documents, instruments, agreements and other materials respecting the Related Transactions or any Loan Party as Administrative Agent may, in its sole discretion, have requested, all of which shall be in form and substance satisfactory to Administrative Agent.

Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document, agreement and/or instrument required to be approved by Administrative Agent, Requisite Lenders or Lenders, as applicable, on the Closing Date, and acknowledged that each of the conditions set forth above has been satisfied to its satisfaction.

Section 3.2 Conditions to the Delayed Draw Term B Loan.

No Lender shall be obligated to fund any Delayed Draw Term B Loan unless, as of the date thereof:

(a) Administrative Agent shall have received a certificate signed by a Responsible Officer of Borrower certifying that the Total Leverage Ratio on a pro forma basis after giving effect to such Delayed Draw Term B Loan is less than or equal to 4.00 to 1.00, recomputed for the most recent Fiscal Month for which financial statements have been delivered to Administrative Agent pursuant to the terms of this Agreement, which certificate shall include a reasonably detailed calculation with respect thereto;

(b) Administrative Agent shall have received, if so requested by a Lender at least three (3) Business Days prior to the requested funding date, a Delayed Draw Term B Note evidencing such Lender's Loans;

(c) after giving effect to such Loan, the aggregate principal amount of the Delayed Draw Term B Loan borrowed does not exceed the aggregate Delayed Draw Term B Loan Commitment; and

(d) the requested funding date of the Delayed Draw Term B Loan occurs on or prior to the Delayed Draw Term B Loan Commitment Termination Date.

Section 3.3 Conditions to the Incremental Term Loan.

No Lender shall be obligated to fund any Incremental Term Loan, and no Lender shall fund an Incremental Term Loan, unless, as of the date thereof:

(a) The Loan Parties are in compliance on a pro forma basis with the financial covenants set forth in Section 7.10 (or, with respect to periods prior to the first test date under Section 7.10, the testing period ending immediately after the date of such requested Incremental Term Loan), recomputed for the most recent Fiscal Quarter for which financial statements have been delivered to Administrative Agent and Lenders pursuant to the terms of this Agreement;

(b) Administrative Agent shall have received a certificate signed by a Responsible Officer of Borrower certifying that the Total Leverage Ratio on a pro forma basis after giving effect to such Incremental Term Loan is less than or equal to 3.50 to 1.00, recomputed for the most recent Fiscal Month for which financial statements have been delivered to Administrative Agent pursuant to the terms of this Agreement, which certificate shall include a reasonably detailed calculation with respect thereto;

(c) after giving effect to such Loan, the aggregate principal amount of the Incremental Term Loan borrowed does not exceed $20,000,000;

(d) the requested funding date of the Incremental Term Loan occurs on or prior to the Incremental Term Loan Termination Date;

(e) the requested funding date of the Incremental Term Loan occurs on or after the Delayed Draw Term B Loan Termination Date or the date upon which aggregate Delayed Draw Term B Loans of $10,000,000 have been made;

(f) Administrative Agent shall have received, if so requested by a Lender at least three (3) Business Days prior to the requested funding date, an Incremental Term Loan Note evidencing such Lender's Loans;

(g) Administrative Agent shall have received such amendments to this Agreement with respect to such Incremental Term Loan as Administrative Agent may require; and

(h) in the event that any Person providing any portion of the Incremental Term Loan is not already a Lender, such Person shall execute such agreements, instruments and documents as the Administrative Agent may reasonably request to add such Person as a Lender hereunder.

Section 3.4 Further Conditions to Each Loan.

Except as otherwise expressly provided herein, no Lender shall be obligated to fund any Loan or issue any Letter of Credit if, as of the date thereof:

(a) Any representation or warranty by any Loan Party contained herein or in any of the other Loan Documents shall be untrue or incorrect in any material respect (or untrue or incorrect in any respect if such representation or warranty contains any materiality qualifier, including references to "material," "Material Adverse Effect" or dollar thresholds) as of such date (except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by this Agreement) and in any case Administrative Agent or Requisite Lenders shall have determined not to make (or permit to be made) any Loan or incur (or permit to be issued) any Letter of Credit so long as such representation or warranty remains untrue or incorrect; or

(b) (i) Any Event of Default shall have occurred and be continuing or would result after giving effect to any Loan (or the incurrence of any Letter of Credit Obligation), or (ii) a Default shall have occurred and be continuing or would result after giving effect to any Loan, and in either case Administrative Agent or the Requisite Lenders shall have determined not to make (or permit to be made) any Loan or incur (or permit to be incurred) any Letter of Credit Obligation so long as that Event of Default or Default is continuing; or

(c) To the extent such request is for an Advance or the incurrence of any Letter of Credit Obligation, the amount of such requested Advance or incurrence of a Letter of Credit Obligation shall cause the aggregate principal amount of outstanding Advances to exceed the Borrowing Availability under Section 2.1(a) and in any case Administrative Agent or Requisite Lenders shall have determined not to make (or permit to be made) any Advance or incur (or permit to be incurred) any Letter of Credit Obligation so long as the Borrowing Availability is exceeded; or

(d) To the extent such request is for an Advance or the issuance of any Letter of Credit, the Loan Parties are not in compliance on a pro forma basis with the financial covenants set forth in Section 7.10 (or, with respect to periods prior to the first test date underSection 7.10, the testing period ending immediately after the date of such requested Advance or issuance of Letter of Credit), recomputed for the most recent Fiscal Quarter for which financial statements have been delivered to Administrative Agent and Lenders pursuant to the terms of this Agreement and in any case Administrative Agent or Requisite Lenders shall have determined not to make (or permit to be made) any Advance or issue (or permit to be issued) any Letter of Credit so long as the Loan Parties are not in such pro forma covenant compliance.

The request and acceptance by Borrower of the proceeds of any Loan and the issuance of any Letter of Credit, as the case may be, shall be deemed to constitute, as of the date of such request or acceptance, (i) a representation and warranty by Borrower that the conditions in this Section 3.4 have been satisfied and (ii) a reaffirmation by each Loan Party of the cross-guaranty provisions set forth in Article XIII and of the granting and continuance of Administrative Agent's Liens, on behalf of itself and the other Secured Parties, pursuant to the Collateral Documents.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans and to incur Letter of Credit Obligations, the Loan Parties executing this Agreement, jointly and severally, make the following representations and warranties to Administrative Agent and each Lender with respect to all Loan Parties and their Subsidiaries, each and all of which shall survive the execution and delivery of this Agreement.

Section 4.1 Corporate Existence; Compliance with Law.

Each Loan Party and each of its Subsidiaries (a) is a corporation, partnership, limited partnership, or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation (with respect to a Foreign Subsidiary, this representation and warranty shall be made using the equivalent concepts, if any, under its jurisdiction of incorporation, organization or formation, as applicable); (b) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect (with respect to a Foreign Subsidiary, this representation and warranty shall be made using the equivalent concepts, if any, under any jurisdiction outside the United States of America); (c) has the requisite corporate, partnership or company power and authority and the legal right to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease and to conduct its business as now, heretofore and proposed to be conducted; (d) has (and is not in default under any of the following) all material licenses, permits, certifications, consents or approvals from or by, and has made all material filings with, and has given all material notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct; (e) is not in default under any license, permit, certification or approval requirement of any supplier or other Person (not including any Governmental Authority), which default could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; (f) is in compliance with its Organization Document; (g) is in material compliance with all applicable Requirements of Law; and (h) is in compliance in all material respects with all injunctions, decrees and orders of Governmental Authorities applicable to it. The Dividend Recapitalization and the other Related Transactions have been or will be consummated in accordance with, all applicable laws.

Section 4.2 Executive Offices; FEIN.

As of the Closing Date, the current location of the chief executive office and principal place of business of each Loan Party and each of its Subsidiaries is set forth in Schedule 4.2, and none of such locations have changed within the twelve (12) months immediately preceding the Closing Date. In addition,Schedule 4.2 lists the federal employer identification number of each Loan Party.

Section 4.3 Organization Power, Authorization, Enforceable Obligations.

The execution, delivery and performance by each Loan Party and each of its Subsidiaries of the Related Transactions Documents (prior to consummation of the Dividend Recapitalization, other than with respect thereto) to which it is a party and the creation of all Liens provided for therein: (a) are within such Person's corporate or limited liability company power; (b) have been duly authorized by all necessary or proper corporate or limited liability company action; (c) do not contravene any provision of such Person's

Organization Documents; (d) do not violate any Requirement of Law, or any order or decree of any court or Governmental Authority; (e) do not conflict with, in any material respect, or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Person is a party or by which such Person or any of its property is bound; (f) do not result in the creation or imposition of any Lien upon any of the property of such Person other than those in favor of Administrative Agent, on behalf of itself and the other Secured Parties, pursuant to the Loan Documents; and (g) do not require the consent or approval of any Governmental Authority or any other Person, except those referred to in Schedule 4.3(g), all of which will have been duly obtained, made or complied with prior to the Closing Date.

Section 4.4 Financial Statements and Projections.

Except for the Projections, all Financial Statements concerning the Loan Parties and their Subsidiaries which are referenced below have been prepared in accordance with GAAP consistently applied throughout the periods covered (except as disclosed therein and except, with respect to unaudited Financial Statements, for the absence of footnotes and subject to normal year end adjustments) and present fairly in all material respects the financial position of the Persons covered thereby as at the dates thereof and the results of their operations and cash flows for the periods then ended.

(a) The following Financial Statements attached hereto asSchedule 4.4(A) have been delivered on the date hereof:

(i) The audited consolidated balance sheets at December 26, 2010 and the related statements of income and cash flows of the Loan Parties (other than Holdings) and their Subsidiaries for the Fiscal Year then ended.

(ii) The unaudited consolidated balance sheets at March 27, 2011 and the related statement(s) of income and cash flows of the Loan Parties (other than Holdings) and their Subsidiaries for the three (3) months then ended.

(b) Pro Forma Balance Sheet. The Pro Forma Balance Sheet delivered on the date hereof and attached hereto asSchedule 4.4(B) was prepared by Borrower giving pro forma effect to the Related Transactions and was based on the unaudited consolidated balance sheets of the Loan Parties (other than Holdings) and their Subsidiaries dated March 27, 2011.

(c) Projections. The Projections delivered on the date hereof and attached hereto asSchedule 4.4(C) have been prepared by Borrower in light of the past operations of the Loan Parties and their Subsidiaries business, but including future payments of known contingent liabilities reflected on the Pro Forma Balance Sheet, and reflect projections on an annual basis. The Projections are based upon estimates and assumptions which Borrower believes to be reasonable and fair in light of current conditions and current facts known to Borrower as of the Closing Date and, as of the Closing Date, reflect Borrower's good faith

and reasonable estimates of the future financial performance of the Loan Parties (other than Holdings) and their Subsidiaries and of the other information projected therein for the period set forth therein (it being recognized that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount).

Section 4.5 Material Adverse Effect.

Since December 26, 2010, as of the Closing Date, no Loan Party and no Subsidiary of a Loan Party has incurred any material obligations, contingent or non-contingent liabilities, liabilities for Charges, long-term leases or unusual forward or long-term commitments which are not reflected in the Pro Forma Balance Sheet and that are of a nature that would customarily be included on a balance sheet. Since December 26, 2010, no event has occurred, which alone or together with other events, could reasonably be expected to have a Material Adverse Effect.

Section 4.6 Ownership of Property; Liens.

The Real Estate listed on Schedule 4.6 constitutes, as of the Closing Date, all of the real property owned, leased, subleased, or used by any Loan Party and its Subsidiaries. Each Loan Party and each Subsidiary of a Loan Party owns good and marketable fee simple title to all of its owned Real Estate, and valid leasehold interests in all of its leased Real Estate. Schedule 4.6 further describes any Real Estate with respect to which any Loan Party or Subsidiary of a Loan Party is a lessor, sublessor or assignor as of the Closing Date. Each Loan Party and each of its Subsidiaries also has good and marketable title to, or valid leasehold interests in, all of its material personal properties and assets. None of the properties and assets of any Loan Party or any Subsidiary of a Loan Party are subject to any Liens other than Permitted Encumbrances. Schedule 4.6 also describes any purchase options, rights of first refusal or other similar contractual rights pertaining to any Real Estate owned by a Loan Party as of the Closing Date. The Liens granted to Administrative Agent, on behalf of itself and the other Secured Parties, pursuant to the Collateral Documents are fully perfected first priority Liens in and to the Collateral described therein (other than with respect to assets covered by certificates of title and De Minimus Accounts (as defined in the Security Agreement)), subject only to Permitted Encumbrances.

Section 4.7 Labor Matters.

Except as could not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect: (a) no strikes or other material labor disputes against any Loan Party or any of its Subsidiaries are pending or, to any Loan Party's knowledge, threatened; (b) hours worked by and payment made to employees of each Loan Party and each of its Subsidiaries comply with the Fair Labor Standards Act and each other federal, state, local or foreign law applicable to such matter; (c) all payments due from any Loan Party or any Subsidiary of a Loan Party for employee health and welfare insurance

have been paid or accrued as a liability on the books of such Person; (d) except as set forth in Schedule 4.7 or 7.4, as of the Closing Date no Loan Party and no Subsidiary of a Loan Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement or any employment agreement (and true and complete copies of any agreements described on Schedule 4.7 or 7.4 have been (and will continue to be) made available to Administrative Agent); (e) to any Loan Party's knowledge, there is no organizing activity involving any Loan Party or any Subsidiary of a Loan Party pending or threatened by any labor union or group of employees; (f) there are no representation proceedings pending or, to any Loan Party's knowledge, threatened with the National Labor Relations Board or similar foreign Governmental Authority, and no labor organization or group of employees of any Loan Party or any Subsidiary of a Loan Party has made a pending demand for recognition; and (g) except as set forth in Schedule 4.7, there are no complaints or charges against any Loan Party or any of its Subsidiaries pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by any Loan Party or any of its Subsidiaries of any individual, except, in the case of this clause (g), where any such complaint or charge would not, individually or in the aggregate, reasonably be expected to result in damages or liabilities to any Loan Party or any of its Subsidiaries in excess of $500,000.

Section 4.8 Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness.

Except as set forth in Schedule 4.8, as of the Closing Date no Loan Party has any Subsidiaries or is engaged in any joint venture or partnership with any other Person. As of the Closing Date all of the issued and outstanding Stock of each Loan Party and each of its Subsidiaries is owned by each of the stockholders, partners or members, as applicable and in the amounts set forth on Schedule 4.8. Except as set forth on Schedule 4.8, there are no outstanding rights to purchase, options, warrants or similar rights or agreements pursuant to which any Loan Party or any of its Subsidiaries may be required to issue, sell, repurchase or redeem any of its Stock or other equity securities or any Stock or other equity securities of such Person's Subsidiaries (with respect to Holdings, as of the Closing Date). As of the Closing Date, all outstanding Indebtedness (of the type described in clauses (a) through (c), (e) and (h) of the definition thereof) of each Loan Party and each of its Subsidiaries is described in Section 7.3 (including Schedule 7.3).

Section 4.9 Government Regulation.

No Loan Party and no Subsidiary of a Loan Party is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940 as amended. The making of the Loans by Lenders to Borrower, the incurrence of the Letter of Credit Obligations on behalf of Borrower, the application of the proceeds thereof and the repayment thereof and the consummation of the Related Transactions will not violate any provision of any such statute or any rule, regulation or order issued by the Securities and Exchange Commission.

Section 4.10 Margin Regulations.

No Loan Party and no Subsidiary of a Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "Margin Stock"). None of the proceeds of the Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any Margin Stock or for any other purpose which might cause any of the Loans or other extensions of credit under this Agreement to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board. No Loan Party will take or permit to be taken any action which might cause any Loan Document to violate any regulation of the Federal Reserve Board.

Section 4.11 Taxes.

All federal and other material tax returns, reports and statements, including information returns, required by any Governmental Authority to be filed by any Loan Party or any of its Subsidiaries have been filed with the appropriate Governmental Authority and all Charges with respect to a liability in excess of $500,000 have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof (or any such fine, penalty, interest, late charge or loss has been paid), excluding Charges or other amounts that are being contested in accordance with Section 6.2(b). Schedule 4.11 sets forth those taxable years for which the tax returns of any Loan Party or any of its Subsidiaries are to Borrower's knowledge as of the Closing Date being audited by the IRS or any other applicable Governmental Authority and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding as of the Closing Date. As of the Closing Date and except as set forth on Schedule 4.11, there is no action, suit, proceeding, investigation, audit or claim now pending or, to Borrower's knowledge, threatened by any authority regarding any taxes relating to any of the Loan Parties or any of their respective Subsidiaries, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or to result in a material liability to any of the Loan Parties or any of their respective Subsidiaries. Except as described on Schedule 4.11, as of the Closing Date no Loan Party and no Subsidiary of a Loan Party has executed or filed with the IRS or any other Governmental Authority any agreement or other document extending, or having the effect of extending, the period for assessment or collection of any Charges. None of the Loan Parties, any of their respective Subsidiaries or any of their respective predecessors are liable for any Charges of a Person other than a Loan Party with respect to a liability in excess of $500,000: (a) under any agreement (including any tax sharing agreements) or (b) to each Loan Party's knowledge, as

a transferee, other than, in either case, pursuant to triple net leases entered into in the ordinary course of business. As of the Closing Date, no Loan Party has agreed or been requested to make any adjustment under IRC Section 481(a), by reason of a change in accounting method or otherwise, which, either individually or in the aggregate, would have a Material Adverse Effect.

Section 4.12 ERISA and Foreign Benefit Plans.

(a) Schedule 4.12 lists and separately identifies all Title IV Plans, Multiemployer Plans, ESOPs and Retiree Welfare Plans as of the Closing Date. Copies of all such listed Plans, together with a copy of the latest form 5500 for each such Plan, have been delivered to Administrative Agent. Each Qualified Plan has been determined by the IRS to qualify under Section 401 of the IRC, and the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the IRC, and, to the knowledge of any Loan Party, nothing has occurred which would reasonably be expected to cause the loss of such qualification or tax-exempt status. Each Plan is in compliance in all material respects with the applicable provisions of ERISA and the IRC, including the filing of reports required under the IRC, or ERISA. No Loan Party or ERISA Affiliate has failed to make any contribution or pay any amount in excess of $500,000 in the aggregate due as required by Section 412, of the IRC or Section 302 of ERISA or the terms of its Plans. No Loan Party or ERISA Affiliate has engaged in a prohibited transaction, as defined in Section 4975 of the IRC, in connection with any Plan, which would subject any Loan Party to a material tax on prohibited transactions imposed by Section 4975 of the IRC.

(b) Except as set forth inSchedule 4.12: (i) no Title IV Plan has any Unfunded Pension Liability; (ii) no ERISA Event or event described in Section 4062(e) of ERISA with respect to any Title IV Plan has occurred or is reasonably expected to occur; (iii) there are no pending, or to the knowledge of any Loan Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Plan or any Person as fiduciary or sponsor of any Plan except, in the case of this clause (iii), where any such claim, sanction, action or lawsuit would not, individually or in the aggregate, reasonably be expected to result in damages or liabilities to any Loan Party or any of its Subsidiaries in excess of $500,000; (iv) no Loan Party or ERISA Affiliate has incurred or reasonably expects to incur any liability in excess of $500,000 as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five years no Title IV Plan with Unfunded Pension Liabilities has been transferred outside of the "controlled group" (within the meaning of Section 4001(a)(14) of ERISA) of any Loan Party or ERISA Affiliate; and (vi) no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by S&P or the equivalent by another Rating Agency.

(c) With respect to each scheme or arrangement mandated by a government other than the United States of America providing for post-employment benefits (each, a "Foreign Government Scheme or Arrangement") and with respect to each employee benefit plan maintained or contributed to by any Loan Party or any Subsidiary of any Loan

Party that is not subject to United States law providing for post-employment benefits (each, a "Foreign Plan") to each Loan Party's knowledge: (i) all employer and employee contributions required by law or by the terms of any Foreign Government Scheme or Arrangement or any Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) the liability of any Loan Party or any Subsidiary of a Loan Party with respect to a Foreign Plan is reflected in accordance with normal accounting practices on the financial statements of such Loan Party or such Subsidiary, as the case may be; and (iii) each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities unless, in each case under the foregoing clauses (i), (ii) and (iii), the failure to do so could not be reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.13 No Litigation.

No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of any Loan Party, threatened against any Loan Party or any of its Subsidiaries, before any Governmental Authority or before any arbitrator or panel of arbitrators (collectively, "Litigation"), (a) which challenges the right or power of any Loan Party or any of its Subsidiaries to enter into or perform any of its obligations under the Loan Documents to which it is a party, or the validity or enforceability of any Loan Document or any action taken thereunder, or (b) which has a reasonable risk of being determined adversely to any Loan Party or any of its Subsidiaries and which, if so determined, could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Except as set forth on Schedule 4.13, as of the Closing Date there is no Litigation pending or, to the knowledge of the Loan Parties, threatened which would reasonably be expected to result in injunctive relief, monetary judgment(s) in excess of $500,000 individually or in the aggregate or findings of criminal misconduct of any Loan Party or any of its Subsidiaries.

Section 4.14 Brokers.

No broker or finder acting on behalf of any Loan Party or any of its Subsidiaries brought about the obtaining, making or closing of the Loans or the Related Transactions and no Loan Party or Subsidiary of a Loan Party has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

Section 4.15 Intellectual Property.

(a) Schedule 4.15 sets forth, in each case as of the Closing Date, all of the registered or applications to register Intellectual Property of each Loan Party and each of its Subsidiaries, including each patent, patent application, trademark registration, trademark application, copyright application, copyright registration and domain name registration, and all material Intellectual Property Licenses necessary to the operations of the businesses of the Loan Parties.

(b) Except as set forth on Schedule 4.15 or as could not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, all Copyrights, Patents and Trademarks of each Loan Party and each of its Subsidiaries (i) are subsisting in full force and effect, have not been terminated, cancelled, expired, or abandoned, and are valid and enforceable; (ii) have been prosecuted in accordance with all applicable law; (iii) have been protected with adequate safeguards and security to maintain any trade secrets, and confidential or proprietary information; (iv) are not the subject of any third party challenge, whether judicial, administrative or otherwise, as to ownership, registerability, validity or enforceability; (v) have not been the subject of any written notice alleging that it is invalid or unenforceable or challenging ownership or registerability; and (vi) include all the intellectual property rights reasonably required to conduct such Person's business. Except as set forth on, or pursuant to agreements listed on, Schedule 4.24 or Schedule 7.4, no Affiliate, officer or director of any Loan Party or any of its Subsidiaries owns or possesses any rights in any Intellectual Property used by any of the Loan Parties or any of their Subsidiaries and material to the operations of their businesses.

(c) No Loan Party and no Subsidiary of a Loan Party has (i) received any written notice alleging (x) infringement or notice of any other complaint that its operations infringe or misappropriate rights under any intellectual property of any third party, or (y) unfair trade practices or passing off of counterfeit goods, which, in either case, individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect; (ii) knowledge of any such infringement, misappropriation, unfair trade practices or passing off of counterfeit goods, or (iii) wrongfully employed any trade secrets or any confidential information or documentation proprietary to any former employer of any employee, or any other Person which could reasonably be expected to result in a Material Adverse Effect.

Section 4.16 Full Disclosure.

No information contained in this Agreement, any of the other Loan Documents, any Financial Statements or Collateral Reports or other reports from time to time delivered hereunder or any written statement furnished by or on behalf of any Loan Party or any of its Subsidiaries to Administrative Agent or any Lender pursuant to the terms of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect in light of the circumstances under which they were made.

Section 4.17 Environmental Matters.

(a) Except as set forth in Schedule 4.17 (i) the Real Estate is free of contamination from any Hazardous Material except for such contamination that would not adversely impact the value or marketability of such Real Estate and which would not result in Environmental Liabilities of the Loan Parties which could reasonably be expected to exceed $500,000; (ii) no Loan Party and no Subsidiary of a Loan Party has caused or suffered to occur any Release of Hazardous Materials on, at, in, under, above, to, from or

about any of its Real Estate which would result in Environmental Liabilities of the Loan Parties which could reasonably be expected to exceed $500,000; (iii) the Loan Parties and their Subsidiaries are and have been in compliance with all Environmental Laws, except for such noncompliance which would not reasonably be expected to result in Environmental Liabilities of the Loan Parties in excess of $500,000; (iv) the Loan Parties and their Subsidiaries have obtained, and are in compliance with, all Environmental Permits required by Environmental Laws for the operations of their respective businesses as presently conducted or as proposed to be conducted, except where the failure to so obtain or comply with such Environmental Permits would not reasonably be expected to result in Environmental Liabilities of the Loan Parties which could reasonably be expected to exceed $500,000; (v) no Loan Party and no Subsidiary of a Loan Party is involved in operations or knows of any facts, circumstances or conditions, including any Releases of Hazardous Materials, that are reasonably likely to result in any Environmental Liabilities of such Loan Party or such Subsidiary in excess of $500,000, and no Loan Party and no Subsidiary of a Loan Party has permitted any current or former tenant or occupant of a Loan Party's Real Estate to engage in any such operations; (vi) the Loan Parties' and their Subsidiaries' estimated costs of compliance with Environmental Laws and Environmental Permits for each of the two Fiscal Years immediately following the Closing Date are not in excess of $500,000 for each such Fiscal Year; (vii) there is no Litigation arising under or related to any Environmental Laws, Environmental Permits or Hazardous Material which would reasonably be expected to result in damages, penalties, fines, costs or expenses of the Loan Parties in excess of $500,000 or material injunctive relief, or which as of the Closing Date alleges criminal misconduct by any Loan Party or any of its Subsidiaries; (viii) as of the Closing Date, no notice has been received by any Loan Party or any of its Subsidiaries identifying it as a "potentially responsible party" or requesting information under CERCLA or analogous state or foreign laws, and to the knowledge of the Loan Parties, there are no facts, circumstances or conditions that may result in any Loan Party or any Subsidiary of a Loan Party being identified as a "potentially responsible party" under CERCLA or analogous state or foreign laws; and (ix) as of the Closing Date, the Loan Parties have provided to Administrative Agent copies of all existing environmental reports, reviews and audits and all written information, if any, pertaining to actual or potential material Environmental Liabilities, in each case relating to any Loan Party and its Subsidiaries.

(b) Each Loan Party hereby acknowledges and agrees that Administrative Agent (i) is not now, and has never been, in control of any of the Real Estate or any affairs of a Loan Party or any of its Subsidiaries, and (ii) does not have the capacity through the provisions of the Loan Documents or otherwise to influence the conduct of any Loan Party or any of its Subsidiaries with respect to the ownership, operation or management of any of its Real Estate or compliance with Environmental Laws or Environmental Permits.

Section 4.18 Insurance.

Schedule 4.18 lists, as of the Closing Date, all material insurance policies of any nature maintained for current occurrences by each Loan Party and each of its Subsidiaries.

Section 4.19 Deposit and Other Accounts.

Schedule 4.19 (as updated from time to time simultaneously with any update toSchedule 3.1(K) of the Security Agreement permitted under the terms of the Security Agreement) lists all banks and other financial institutions at which any Loan Party or Subsidiary of a Loan Party maintains deposits and/or other accounts (including brokerage accounts, securities accounts and other similar accounts), and such Schedule as of the date thereof correctly identifies the name, address and telephone number of each depository or other applicable financial institution, the name in which the account is held, a description of the purpose of the account, and the complete account number.

Section 4.20 Solvency; Default.

Both immediately before and after giving effect to (a) the Loans and Letters of Credit to be made or issued on the Closing Date or such other date as Loans and Letters of Credit requested hereunder are made or issued, (b) the disbursement of the proceeds of such Loans pursuant to the instructions of Borrower, (c) the Dividend Recapitalization, the Refinancing and the consummation of the other Related Transactions, and (d) the payment and accrual of all transaction costs in connection with the foregoing, the Loan Parties are, on a consolidated basis, Solvent. No Default or Event of Default exists or would exist taking into account any of the initial Loans to be made on the Closing Date.

Section 4.21 [**Reserved**].

Section 4.22 Not a Reporting Entity.

As of the date hereof, no Loan Party and no Subsidiary of a Loan Party (i) is required to file reports under Section 15(b) of the Exchange Act, (ii) has securities registered under Section 12 of the Exchange Act or (iii) has filed a registration statement that has not yet become effective under the Securities Act of 1933, as amended.

Section 4.23 Foreign Assets Control Regulations, Etc.

(a) Neither the making of the Loans by the Lenders hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) No Loan Party, nor any of its Subsidiaries, nor any Controlled Affiliate of any Loan Party or of any Subsidiary, nor any present stockholder of any of the foregoing (i) is, or will become, a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC") or in Section 1 of the Anti-Terrorism Order, (ii) is, or will become, a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC, (iii) is, or will become, a Person whose property or interest in property is

blocked or subject to blocking pursuant to Section 1 of the Anti-Terrorism Order, or (iv) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any such Person. Each Loan Party and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(c) No part of the proceeds from the Loans made hereunder or any Letter of Credit issued hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Loan Parties and their Subsidiaries.

Section 4.24 No Conflicts of Interest.

As of the Closing Date, except as set forth inSchedule 4.24 or as otherwise disclosed herein, no owner, director (or persons holding a similar position) or officer of any Loan Party or any of its Subsidiaries, owns, directly or indirectly, any interest in any material tangible or intangible property used in or necessary to the business of a Loan Party or one of its Subsidiaries.

ARTICLE V

FINANCIAL STATEMENTS AND INFORMATION

Section 5.1 Reports and Notices.

Borrower shall deliver or cause to be delivered to Administrative Agent and Lenders, as indicated, the following:

(a) Monthly Financials. To Administrative Agent and Lenders, within thirty (30) days after the end of each Fiscal Month (or, with respect to each Fiscal Month that is also the end of a Fiscal Quarter, within forty five (45) days after the end of such Fiscal Month) commencing with the Fiscal Month ended on or about May 31, 2011, financial information regarding the Loan Parties and their Subsidiaries, certified by the Chief Financial Officer or Treasurer of Borrower, consisting of (i) consolidated unaudited balance sheets as of the close of such Fiscal Month and the related statements of income and cash flows for such Fiscal Month and that portion of the Fiscal Year ending as of the close of such Fiscal Month, in each case setting forth in comparative form the figures for the corresponding periods in the prior year and the projected results of such periods set forth in the budget delivered pursuant to Section 5.1(c) for the applicable Fiscal Year, all prepared in accordance with GAAP (subject to normal year-end adjustments and the absence of footnotes), (ii) a calculation of EBITDA of the Loan Parties and their Subsidiaries on a consolidated basis, in form reasonably acceptable to Administrative Agent, for the twelve (12) month period ending on the last day of such Fiscal Month, certified by the Chief Financial Officer or Treasurer of Borrower as being a true, complete and correct calculation

of EBITDA of the Loan Parties and their Subsidiaries on a consolidated basis for such period, (iii) a reasonably detailed same-store profit and loss statement for each site of the Borrower and its Subsidiaries, and (iv) with respect to the last Fiscal Month of each Fiscal Year, a reasonably detailed profit and loss statement by unit levels. Notwithstanding the foregoing, if the budgets delivered pursuant to Section 5.1(c) are revised in any material respect, Administrative Agent may request that such financial statements contain a comparison to such revised budget, rather than a comparison to budget for the applicable Fiscal Year. Such financial information shall be accompanied by the certification of the Chief Financial Officer or Treasurer of Borrower that (i) such financial statements present fairly in accordance with GAAP (subject to normal year-end adjustments and the absence of footnotes) the financial position and results of operations and cash flows of the Loan Parties and their Subsidiaries, on a consolidated basis, in each case as at the end of such Fiscal Month and for the year to date period then ended and (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default shall have occurred and be continuing, describing the nature thereof and all efforts undertaken to remedy such Default or Event of Default;

(b) Compliance Certificate and Analysis. To Administrative Agent and Lenders, the financial information delivered pursuant toSection 5.1(a) and 5.1(d) shall be accompanied by (i) a properly completed certificate in the form of Exhibit 5.1(b) (each, a "Compliance Certificate"); provided, however, that the financial covenant calculations shall only be required to be completed with each Compliance Certificate delivered with the financial information under Section 5.1(a) for the last Fiscal Month of each Fiscal Quarter and with the financial information under Section 5.1(d) and (ii) a management discussion and analysis (in a form substantially consistent with prior management discussion and analysis or otherwise reasonably acceptable to Administrative Agent) describing the performance of the Loan Parties and their Subsidiaries for such periods and explaining any non-de minimus variances between such results and the results from the comparable periods in the prior year and the projected results for such period set forth in the budget delivered pursuant to Section 5.1(c) (and any revised budgets) for the applicable Fiscal Year; provided, further, that if a Compliance Certificate delivered together with the financial information delivered pursuant to Section 5.1(d) corrects any calculation of a financial covenant set forth in a Compliance Certificate delivered together with the financial information delivered pursuant to Section 5.1(a) with respect to the most recently ended Fiscal Month that is also the end of a Fiscal Year, such corrected calculation of a financial covenant shall govern (and no Default or Event of Default shall be deemed to exist solely as a result of differences between the two resulting from normal year-end adjustments) but shall not, in any way, prejudice or limit any rights or actions previously taken by Administrative Agent or Lenders as a result of any previously delivered Compliance Certificate;

(c) Operating Plan. To Administrative Agent and Lenders, when available, but not later than forty five (45) days after the end of each Fiscal Year, (i) an annual operating plan for the Loan Parties and their Subsidiaries, approved by the Governing Body of Holdings or Borrower, for the following year, which will include a statement of all of the

material assumptions on which such plan is based, will include monthly balance sheets and a monthly budget for the following year and will integrate sales, gross profits, operating expenses, operating profit, cash flow projections and Borrowing Availability projections all prepared on the same basis and in similar detail as that on which operating results are reported (and in the case of cash flow projections, representing management's good faith estimates of future financial performance based on historical performance), and including plans for personnel, Capital Expenditures and facilities and (ii) annual projections for the two Fiscal Years following the completion of the Fiscal Year covered by such operating plan;

(d) Annual Audited Financials. To Administrative Agent and Lenders, within one hundred five (105) days after the end of each Fiscal Year commencing with the Fiscal Year ending on or about December 31, 2011, audited Financial Statements for the Loan Parties and their Subsidiaries on a consolidated basis, consisting of balance sheets and statements of income and retained earnings and cash flows, setting forth in comparative form in each case the figures for the previous Fiscal Year, which Financial Statements shall be prepared in accordance with GAAP, certified without qualification, by an independent certified public accounting firm of national standing or otherwise reasonably acceptable to Administrative Agent (it being agreed and understood that Borrower's independent public accounting firm as of the Closing Date is deemed acceptable to Administrative Agent). Such Financial Statements shall be accompanied by (i) a report from such accounting firm to the effect that, in connection with their audit examination, nothing has come to their attention to cause them to believe that a Default or Event of Default has occurred (or specifying those Defaults and Events of Default that they became aware of), it being understood that such audit examination extended only to accounting matters and that no special investigation was made with respect to the existence of Defaults or Events of Default, (ii) the annual letters to such accountants in connection with their audit examination detailing contingent liabilities and material litigation matters and (iii) the certification of a Responsible Officer of Borrower that all such Financial Statements present fairly in all material respects, in accordance with GAAP, the financial position, results of operations and statements of cash flows of the Loan Parties and their Subsidiaries on a consolidated basis, as at the end of such year and for the period then ended, and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default shall have occurred and be continuing, describing the nature thereof and all efforts undertaken to remedy such Default or Event of Default;

(e) Management Letters. To Administrative Agent and Lenders, within five (5) Business Days after receipt thereof by any Loan Party or any of its Subsidiaries, copies of all final management letters, exception reports or similar letters or reports received by such Loan Party or such Subsidiary from its independent certified public accountants;

(f) Default Notices. To Administrative Agent and Lenders, as soon as practicable, and in any event within five (5) Business Days after a Responsible Officer of a Loan Party has knowledge of the existence of any Default, Event of Default or other event which has had, or could reasonably be expected to have, a Material Adverse Effect, by telephone or written notice specifying the nature of such Default or Event of Default or other event, including the anticipated effect thereof, which notice, if given telephonically, shall be promptly confirmed in writing on the next Business Day;

(g) [**Reserved**];

(h) [**Reserved**];

(i) Monthly Supplemental Real Estate Schedules. To Administrative Agent, concurrent with the delivery of the financial statements set forth in Section 5.1(a), supplemental disclosures, if any, to Schedule 4.6 with respect to a Loan Party or any of its Subsidiaries owning, leasing or subleasing any Real Estate not described thereon (provided such update to Schedule 4.6 shall not be deemed to be a waiver of any Default or Event of Default arising as a result of any new information set forth thereon except with respect to any waiver effectuated in accordance with the terms of this Agreement);

(j) Litigation. To Administrative Agent, promptly, and in any event within ten (10) Business Days after any of the following is commenced (or within ten (10) Business Days after a Responsible Officer of any Loan Party learns that any of the following is threatened in writing): notice of any Litigation commenced or threatened against any Loan Party or any Subsidiary of a Loan Party that (i) seeks damages in excess of $250,000, (ii) seeks material injunctive relief, (iii) is asserted or instituted against any Plan or Foreign Plan, its fiduciaries or its assets or against any Loan Party, Subsidiary of a Loan Party or ERISA Affiliate in connection with any Plan or Foreign Plan, (iv) alleges criminal misconduct by any Loan Party or Subsidiary of a Loan Party or (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Liabilities;

(k) Insurance Notices. To Administrative Agent, disclosure of losses or casualties required by Section 6.4(c);

(l) Other Notices. To Administrative Agent, promptly, and in any event within five (5) Business Days after a Responsible Officer of a Loan Party has knowledge thereof, copies of any and all written default notices received under or with respect to any leased location or public warehouse where Collateral is located;

(m) Intellectual Property Notices. To Administrative Agent, promptly, and in any event within ten (10) Business Days after an action is commenced (or with respect to a claim or action that is threatened in writing, after a Responsible Officer of a Loan Party has knowledge thereof), notice of any claim or action by any Person pending, or to the knowledge of any Loan Party, threatened in writing, against any Loan Party or any of its Subsidiaries with respect to any of their Intellectual Property that (i) seeks damages in excess of $500,000 not otherwise covered by insurance, or (ii) seeks material injunctive relief;

(n) Title IV Plans; Etc. To Administrative Agent, promptly, and in any event within thirty (30) Business Days after any Loan Party enters into any Title IV Plan, Multiemployer Plan, ESOP or Retiree Welfare Plan after the Closing Date;

(o) Other Documents. To Administrative Agent and Lenders, promptly (i) such forms and information required by the U.S. Small Business Administration, including, without limitation, SBA Forms 480 and 652, to the extent reasonably requested by Administrative Agent or any Lender from time to time and which Borrower is reasonably able to provide, and (ii) such other financial and other information respecting any business or financial condition of a Loan Party or any of its Subsidiaries as Administrative Agent shall, from time to time, reasonably request; and

(p) Mandatory Prepayment and Change of Control. To Administrative Agent, not less than five (5) Business Day's advance written notice (or such lesser period as is acceptable to the Administrative Agent in its sole discretion) of (i) the expected receipt by a Loan Party or any of its Subsidiaries of proceeds pursuant to an event described in Sections 2.3(b)(ii) or 2.3(b)(iii) and (ii) a Change of Control.

Section 5.2 Collateral Reports.

Borrower shall deliver or cause to be delivered the following:

(a) To Administrative Agent, at the time of delivery of each of the quarterly Financial Statements delivered pursuant to Section 5.1(a), a list of any applications for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency which any Loan Party thereof has filed in the prior Fiscal Quarter;

(b) Upon the occurrence and during the continuance of an Event of Default, at the request of Administrative Agent, Borrower, at its own expense, shall deliver to Administrative Agent the results of each physical verification, if any, which any Loan Party or any of its Subsidiaries may in their discretion have made, or caused any other Person to have made on their behalf, of all or any portion of their Inventory (and, if an Event of Default shall have occurred and be continuing, Borrower shall, upon the request of Administrative Agent, conduct such physical verifications as Administrative Agent may require);

(c) Borrower, at its own expense, shall deliver to Administrative Agent such appraisals of the assets of the Loan Parties and their respective Subsidiaries as Administrative Agent may request at any time after the occurrence and during the continuance of an Event of Default, such appraisals to be conducted by an appraiser, and in form and substance, reasonably satisfactory to Administrative Agent; and

(d) Such other reports, statements and reconciliations with respect to the Collateral of any or all Loan Parties as Administrative Agent shall from time to time request in its Permitted Discretion.

Section 5.3 Communication with Accountants.

Each Loan Party authorizes Administrative Agent to communicate directly with its and its Subsidiaries' independent certified public accountants, and authorizes and shall instruct those accountants to disclose and make available to Administrative Agent any and all Financial Statements and other supporting financial documents, schedules and information relating to any Loan Party or Subsidiary of a Loan Party (including copies of any issued management letters) with respect to the business, financial condition and other affairs of any Loan Party and its Subsidiaries.

ARTICLE VI

AFFIRMATIVE COVENANTS

Each Loan Party executing this Credit Agreement jointly and severally agrees as to all Loan Parties and their Subsidiaries that from and after the date hereof and until the Termination Date:

Section 6.1 Maintenance of Existence and Conduct of Business.

Each Loan Party shall, and shall cause each of its Subsidiaries to, (a) subject toSection 7.1, do or cause to be done all things necessary to preserve and keep in full force and effect its organizational existence and its rights and franchises; (b) continue to conduct its business substantially as now conducted or as otherwise permitted hereunder; and (c) at all times maintain, preserve and protect all of its assets and properties used or useful in the conduct of its business, and keep the same in good repair, working order and condition in all material respects (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices; provided, that Chuy's Services, LLC may be dissolved following written notice thereof to the Administrative Agent, provided that all remaining assets of the dissolved Subsidiary are distributed to Borrower.

Section 6.2 Payment of Obligations.

(a) Subject to Section 6.2(b), other than Charges at any one time not in excess of $500,000 in the aggregate and Charges not yet due, each Loan Party shall, and shall cause each of its Subsidiaries to, pay and discharge or cause to be paid and discharged promptly all governmental Charges payable by it.

(b) Each Loan Party and each Subsidiary of a Loan Party may in good faith contest, by appropriate proceedings, the validity or amount of any Charges or claims described in Section 6.2(a); provided, that (i) at the time of commencement of any such contest no Default or Event of Default shall have occurred and be continuing, (ii) adequate reserves with respect to such contest are maintained on the books of the applicable Person, in accordance with GAAP, (iii) such contest is maintained and prosecuted with diligence and operates to suspend collection or enforcement of such Charges or claims or any Lien in

respect thereof, (iv) none of the Collateral becomes subject to forfeiture or loss as a result of such contest, (v) no Lien shall be imposed to secure payment of such Charges or claims other than Permitted Encumbrances, and (vi) such Loan Party or such Subsidiary, as applicable, shall promptly pay or discharge such contested Charges or claims and all additional charges, interest, penalties and expenses, if any, and shall deliver to Administrative Agent evidence acceptable to Administrative Agent of such compliance, payment or discharge, if such contest is terminated or discontinued adversely to such Loan Party or such Subsidiary or the conditions set forth in this Section 6.2(b) are no longer met.

Section 6.3 Books and Records.

Each Loan Party shall, and shall cause each of its Subsidiaries to, keep adequate books and records with respect to its business activities in which proper entries, reflecting all bona fide financial transactions, are made in accordance with GAAP in all material respects and on a basis substantially consistent with the Financial Statements attached as Schedule 4.4(A).

Section 6.4 Insurance; Damage to or Destruction of Collateral.

(a) The Loan Parties shall, and shall cause each of their Subsidiaries to, at their sole cost and expense, maintain policies of insurance (including public liability and liquor liability policies) with financially sound and reputable insurers having, at the time of policy issuance, an A (or better) rating from Best's Rating Service, with respect to its properties and businesses against such casualties and contingencies as are in accordance with the general practices of businesses engaged in similar activities in similar geographic areas (provided that in any event the Loan Parties shall maintain business interruption insurance and provided further that at all times all other coverage levels shall be no less than those in place on the Closing Date), with the details of such coverage currently outstanding being more fully described on Schedule 4.18 hereto. If any Loan Party or any Subsidiary of a Loan Party at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above (or by the provisions of the second sentence of Section 6.11(b)) or to pay all premiums relating thereto, Administrative Agent may at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which Administrative Agent deems advisable in its Permitted Discretion. Administrative Agent shall have no obligation to obtain insurance for any Loan Party or Subsidiary of a Loan Party or pay any premiums therefor. By doing so, neither Administrative Agent nor any Lender shall be deemed to have waived any Default or Event of Default arising from any Loan Party's or its Subsidiary's failure to maintain such insurance or pay any premiums therefor. All sums so disbursed shall be payable on demand by Borrower to Administrative Agent and shall be additional Obligations hereunder secured by the Collateral.

(b) If requested by Administrative Agent, each Loan Party shall deliver to Administrative Agent from time to time a report of a reputable insurance broker, satisfactory to Administrative Agent, with respect to its and its Subsidiaries' insurance policies.

(c) The Loan Parties shall deliver to Administrative Agent, in form and substance satisfactory to Administrative Agent, (i) endorsements to (A) all "All Risk" insurance naming Administrative Agent, on behalf of itself and the Secured Parties, as loss payee, and (B) all general liability and other liability policies naming Administrative Agent, on behalf of itself and the Secured Parties, as additional insured and (ii) collateral assignments with respect to business interruption insurance. Each Loan Party irrevocably makes, constitutes and appoints Administrative Agent (and all officers, employees or agents designated by Administrative Agent), so long as any Event of Default shall have occurred and be continuing, as such Person's true and lawful agent and attorney-in-fact for the purpose of making, settling and adjusting claims under such "All Risk" policies of insurance, endorsing the name of such Person on any check or other item of payment for the proceeds of such "All Risk" policies of insurance and for making all determinations and decisions with respect to such "All Risk" policies of insurance. Administrative Agent shall have no duty to exercise any rights or powers granted to it pursuant to the foregoing power-of-attorney. Borrower shall promptly (but in any event no later than five (5) Business Days after such loss, damage or destruction) notify Administrative Agent of any loss, damage, or destruction to the Collateral in the amount of $250,000 or more, whether or not covered by insurance.

Section 6.5 Compliance with Laws and Organization Documents.

Without limiting any other provision of this Agreement, each Loan Party shall, and shall cause each of its Subsidiaries to, comply in all material respects with all Requirements of Law applicable to it and the terms of all Organization Documents applicable to it. Each Loan Party shall, and shall cause each of its Subsidiaries, to obtain and maintain all material licenses, permits (including Environmental Permits), certifications, franchises, consents and governmental authorizations and approvals necessary to own its property and to conduct its business substantially as conducted on the Closing Date other than, for the avoidance of doubt, with respect to restaurants closed after the Closing Date.

Section 6.6 Supplemental Disclosure.

From time to time as may be requested by Administrative Agent (which request will not be made more frequently than once each year absent the occurrence and continuance of an Event of Default), the Loan Parties shall supplement each Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter hereafter arising which, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Schedule or as an exception to such representation or which is necessary to correct any information in such Schedule or representation which has been rendered inaccurate thereby (and, in the case of any supplements to any Schedule, such Schedule shall be appropriately marked to show the changes made therein); provided that (a) no such supplement to any such Schedule or representation shall be deemed effective to update such Schedule or representation for any or all purposes hereunder unless agreed to in writing by Requisite Lenders and no such supplement to any such Schedule or representation shall be or be deemed a waiver of any Default or Event of Default resulting from the matters disclosed therein, except as consented to by Requisite Lenders in writing and (b) no supplement shall be required as to representations and warranties that relate solely to the Closing Date.

Section 6.7 Intellectual Property.

Each Loan Party shall, and shall cause each of its Subsidiaries to, conduct its business and affairs without infringement of or interference with any material Intellectual Property of any other Person in any material respect.

Section 6.8 Environmental Matters.

Each Loan Party shall, and shall cause each of its Subsidiaries to, (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance which could not reasonably be expected to have a Material Adverse Effect; (b) implement any and all investigation, remediation, removal and response actions which are appropriate or necessary to maintain the value and marketability of the Real Estate or to otherwise comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or about any of its Real Estate other than where the failure to do so could not reasonably be expected to have a Material Adverse Effect; (c) notify Administrative Agent promptly after such Loan Party becomes aware of any violation of Environmental Laws or Environmental Permits or any Release on, at, in, under, above, to, from or about any Real Estate which is reasonably likely to result in Environmental Liabilities of a Loan Party in excess of $500,000; and (d) promptly forward to Administrative Agent a copy of any order, notice, request for information or any communication or report received by such Loan Party in connection with any such violation or Release or any other matter relating to any Environmental Laws or Environmental Permits that could reasonably be expected to result in Environmental Liabilities of a Loan Party in excess of $500,000, in each case whether or not the Environmental Protection Agency or any Governmental Authority has taken or threatened in writing to take any action in connection with any such violation, Release or other matter. If Administrative Agent at any time has a reasonable basis to believe that there is a violation of any Environmental Laws or Environmental Permits by any Loan Party or any of its Subsidiaries or any Environmental Liability arising thereunder, or a Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, which, in each case, could reasonably be expected to have a Material Adverse Effect, then the relevant Loan Party shall, upon Administrative Agent's written request cause the performance of such environmental audits including subsurface sampling of soil and groundwater, and preparation of such environmental reports with respect to such Real Estate, at Borrower's expense, as Administrative Agent may from time to time request, which shall be conducted by reputable environmental consulting firms acceptable to Administrative Agent and shall be in form and substance reasonably acceptable to Administrative Agent.

Section 6.9 Access.

Each Loan Party which is a party hereto, at its sole cost pursuant to Section 12.3 (provided the Loan Parties shall not be required to pay such costs for more than one such visit per calendar year unless an Event of Default has occurred and is continuing, in which event the costs of any and all such visits during such period shall be borne by the Loan Parties), shall, during normal business hours, from time to time upon at least one (1) Business Day's prior notice as frequently as Administrative Agent reasonably determines to be appropriate: (a) provide Administrative Agent and any of its officers, employees, designees and agents access during normal business hours to the properties, facilities, advisors and employees (including officers) of each Loan Party and each of its Subsidiaries and to the Collateral, (b) permit Administrative Agent, and any of its officers, employees, designees and agents during normal business hours, to inspect, audit and make extracts from the books and records of any Loan Party and its Subsidiaries, and (c) permit Administrative Agent, and its officers, employees, designees and agents during normal business hours, to inspect, audit, review, evaluate and make test verifications and counts of the Accounts, Inventory and other Collateral of any Loan Party. If an Event of Default shall have occurred and be continuing, each such Loan Party shall provide such access to Administrative Agent at all times and without advance notice. Furthermore, so long as any Event of Default shall have occurred and be continuing, each Loan Party shall provide Administrative Agent with access to its and its Subsidiaries' suppliers. Each Loan Party shall make available to Administrative Agent and its counsel, on a prompt basis, originals or copies of all books and records which Administrative Agent may reasonably request. Each Loan Party at its own cost shall deliver any document or instrument necessary for Administrative Agent, as it may from time to time request, to obtain records from any service bureau or other Person which maintains records for such Loan Party or one of its Subsidiaries.

Section 6.10 Post-Closing Obligations.

In consideration for Administrative Agent and Lenders agreeing to fund the initial Loans hereunder even though the following items required as conditions precedent under Section 3.1 were not satisfied on the Closing Date, the Loans Parties shall deliver, or cause to be delivered, to Administrative Agent, or otherwise complete to Administrative Agent's satisfaction in its Permitted Discretion, the following items within the time periods designated below (unless such time periods are extended by Administrative Agent pursuant to its written consent):

(a) within 60 days of the date hereof, lender's loss payable endorsement(s) in favor of Administrative Agent with respect to property insurance of the Loan Parties in form and substance reasonably satisfactory to Administrative Agent.

Section 6.11 New Subsidiaries; Further Assurances.

(a) New Subsidiaries. If a Loan Party forms or acquires a new direct or indirect Subsidiary, such Loan Party agrees to, concurrently with the acquisition or formation thereof, (i) amend the Pledge Agreement (and, upon the request of Administrative Agent, also deliver a comparable local law governed document reasonably acceptable to Administrative Agent with respect to a Foreign Subsidiary) to reflect the addition of such Stock and pledge the applicable Stock to the Administrative Agent as additional collateral for the Obligations, (ii) cause such Subsidiary to join (A) this Agreement by executing this Agreement (or a joinder hereto in form and substance reasonably acceptable to Administrative Agent) as a Guarantor and (B) the Security Agreement pursuant to a joinder in form reasonably satisfactory to Administrative Agent for the purposes of granting a security interest in such Subsidiary's assets for the benefit of the Administrative Agent and the Secured Parties as additional security for the Obligations (and, upon the request of Administrative Agent, also deliver a comparable local law governed document reasonably acceptable to Administrative Agent with respect to a Foreign Subsidiary) and (iii) deliver to the Administrative Agent an opinion of counsel in form and substance reasonably acceptable to Administrative Agent, addressing, among other things, the due authorization, due execution and delivery and enforceability of the foregoing documents with respect to such Subsidiary; provided that nothing in this Section 6.11 shall be deemed to constitute a waiver of any Default or Event of Default caused by the creation or acquisition of any new Subsidiary in violation of the terms of this Agreement. Furthermore, if any Loan Party not a party to the Pledge Agreement is the maker of an intercompany loan, such Loan Party shall execute a joinder (in form reasonably satisfactory to the Administrative Agent) to the Pledge Agreement, thereby pledging such intercompany loan (and the related Intercompany Note, if any) to the Administrative Agent for the benefit of the Secured Parties. Notwithstanding the foregoing, no Foreign Subsidiary of a Loan Party that is both a "controlled foreign corporation," as defined in Section 957 of the IRC and an Affected Foreign Subsidiary shall be required to become a Guarantor or grant a security interest in any of its assets or property to secure any of the Obligations, and no Loan Party shall be required to pledge more than sixty-six percent (66%) of the Stock entitled to vote (within the meaning of Treasury Reg. Section 1.956-2(c)(2)) of any such Affected Foreign Subsidiary of a Loan Party, to the extent, in any such case, such guaranty or granting, or a pledge of additional voting Stock, would result in material adverse tax consequences to a Loan Party under Section 956 of the IRC.

(b) Further Assurances. Each Loan Party executing this Agreement agrees that it shall and shall cause each other Loan Party to, at such Loan Party's expense and upon request of Administrative Agent, duly execute and deliver, or cause to be duly executed and delivered, to Administrative Agent such further agreements, instruments and documents and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Administrative Agent to carry out more effectually the provisions and purposes of this Agreement or any other Loan Document. If any Loan Party or any Subsidiary of any Loan Party (other than a Foreign Subsidiary that has not become a Guarantor or granted a security interest in any of its assets or property to secure such guaranty in accordance with Section 6.11(a) above) acquires fee simple title to any Real Estate with a fair market value in excess of $500,000, simultaneously with such acquisition, such Person shall execute and/or deliver, or cause to be executed and/or delivered, to Administrative Agent, (i) a fully executed Mortgage, in form and substance reasonably satisfactory to Administrative Agent

together with an A.L.T.A. lender's title insurance policy issued by a title insurer reasonably satisfactory to Administrative Agent, in form and substance and in an amount reasonably satisfactory to Administrative Agent insuring that the Mortgage is a valid and enforceable first priority Lien (subject to Permitted Encumbrances) on the respective Real Estate, free and clear of all defects, encumbrances and Liens (subject to Permitted Encumbrances), (ii) if requested by Administrative Agent, then current A.L.T.A. surveys, certified to Administrative Agent by a licensed surveyor sufficient to allow the issuer of the lender's title insurance policy to issue such policy without a survey exception, (iii) if requested by Administrative Agent, an environmental site assessment prepared by a qualified firm reasonably acceptable to Administrative Agent, in form and substance satisfactory to Administrative Agent and (iv) upon execution and delivery of any such mortgage with respect to Real Estate that has any buildings, equipment or improvements that are located in a "Special Flood Hazard Area" (as designated by the United States Federal Emergency Management Administration), or, thereafter, within 45 days after written notice from Administrative Agent or any Lender to Borrower that such Real Estate that has any buildings, equipment or improvements that are so located, flood insurance coverage sufficient to rebuild or replace the building, equipment and improvements located thereon in an amount equal to the maximum amount of coverage available under the United States National Flood Insurance Program with a deductible not to exceed $25,000.

Section 6.12 Dividend Recapitalization.

(a) Each Loan Party agrees that, at all times until consummation of the Dividend Recapitalization in accordance with this Agreement, the Loan Parties shall maintain cash in an amount not less than $19,500,000 in Blocked Accounts.

(b) Prior to the consummation of the Dividend Recapitalization, Borrower will deliver to Administrative Agent complete and correct copies of the effecting resolutions and other organizational approvals in respect of the Dividend Recapitalization, together with such other material documents, instruments and agreements entered into or delivered in connection therewith.

ARTICLE VII

NEGATIVE COVENANTS

Each Loan Party executing this Agreement jointly and severally agrees as to all Loan Parties and their Subsidiaries that from and after the date hereof until the Termination Date:

Section 7.1 Mergers, Subsidiaries, Etc.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, directly or indirectly, by operation of law or otherwise, (a) form or acquire any Subsidiary, (b) convert into any other organizational form or (c) merge with, consolidate with, acquire all

or substantially all of the assets or Stock of, or otherwise combine or merge with or acquire, any Person or any operating division of any Person, except that:

(i) any Subsidiary of Borrower may merge, consolidate or otherwise combine with and into any Subsidiary Guarantor or Borrower, provided that (x) such Subsidiary Guarantor (in the case of a merger, consolidation or other combination with a Subsidiary Guarantor) or Borrower (in the case of a merger, consolidation or other combination with Borrower), as the case may be, is the surviving entity, (y) no wholly-owned Subsidiary may merge, consolidate or combine with or into a non-wholly-owned Subsidiary unless the wholly-owned Subsidiary is the surviving entity, and (z) Administrative Agent has been provided five (5) Business Days' advance written notice of any such transaction;

(ii) Borrower and Subsidiary Guarantors may create wholly-owned Subsidiary Guarantors that are Domestic Subsidiaries;

(iii) Chuy's Services, LLC may dissolve following written notice thereof to the Administrative Agent, provided that all remaining assets of the dissolved Subsidiary are distributed to Borrower; and

(iv) Borrower may acquire the registered Trademarks and Copyrights of Chuy's Mesquite Broiler, Inc., a company currently operating restaurants in California and Arizona, and the right to use the "Chuy's" name in Arizona, California and Nevada, provided that the proceeds from Loans under this Agreement used in consummating such acquisition shall not exceed $2,000,000.

Section 7.2 Investments; Loans and Advances.

Except as otherwise expressly permitted in this Article VII, no Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, make or permit to exist any Investment in, or make, accrue or permit to exist loans or advances of money to, any Person, through the direct or indirect lending of money, holding of securities or otherwise, except that:

(a) each Loan Party and each of its Subsidiaries may maintain its existing investments in its Subsidiaries as of the Closing Date;

(b) each Loan Party and each of its Subsidiaries may make investments in Cash Equivalents so long as the same are subject to a perfected security interest in favor of Administrative Agent for the benefit of itself and the other Secured Parties;

(c) the Loan Parties and their Subsidiaries may make loans to employees permitted under Section 7.4(b);

(d) the Loan Parties (other than Holdings) and their Subsidiaries may make intercompany loans permitted under Section 7.3(a)(v);

(e) [**Reserved**];

(f) a Loan Party may make Investments in other Loan Parties (other than Holdings and Foreign Subsidiaries), provided any equity investments made by Holdings may only be made in Borrower;

(g) each Loan Party may make and maintain Investments received in settlement of amounts due to Borrower or any Subsidiary of Borrower effected in the ordinary course of business or received as part of the settlement of litigation or in satisfaction of extensions of credit to any Person pursuant to or in connection with the reorganization, bankruptcy or liquidation of such Person or a good faith settlement of debts with such Person;

(h) [**Reserved**];

(i) Holdings and Borrower may make Investments consisting of loans to officers, directors and employees, all of the proceeds of which are used by such Persons to purchase substantially simultaneously equity interests of Holdings, to the extent otherwise permitted under this Agreement**;**

(j) the Loan Parties and their Subsidiaries may hold Investments existing on the Closing Date and set forth onSchedule 7.2;

(k) the Loan Parties and their Subsidiaries may maintain deposit accounts in the ordinary course of business and in compliance with the provisions of the Loan Documents; and

(l) Borrower and its Subsidiaries may make and hold other Investments not to exceed $250,000 in the aggregate at any time.

Section 7.3 Indebtedness.

(a) No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except (without duplication):

(i) Indebtedness of Borrower and its Subsidiaries secured by purchase money security interests and Capital Leases,provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed $500,000;

(ii) the Loans and the other Obligations;

(iii) deferred taxes;

(iv) Indebtedness existing on the Closing Date and set forth inSchedule 7.3;

(v) Indebtedness consisting of intercompany loans and advances made by Borrower or a Subsidiary Guarantor to Borrower or a wholly-owned Subsidiary,provided that (A) each such Subsidiary shall have executed and delivered to Borrower or such Subsidiary Guarantor a demand note (collectively, the "Intercompany Notes") to evidence any such intercompany Indebtedness owing at any time by such Subsidiary to Borrower or such Subsidiary Guarantor, which Intercompany Notes shall be in form and substance reasonably satisfactory to Administrative Agent and shall be pledged and delivered to Administrative Agent pursuant to the applicable Pledge Agreement or Security Agreement as additional collateral security for the Obligations; (B) the obligee shall record all intercompany transactions on its books and records in a manner reasonably satisfactory to Administrative Agent; (C) at the time any such intercompany loan or advance is made and after giving effect thereto, Borrower and each such Subsidiary shall be Solvent; (D) no Default or Event of Default would occur and be continuing after giving effect to and as a result of any such proposed intercompany loan or advance; and (E) the aggregate amount of such intercompany loans and advances to Subsidiaries which are not Subsidiary Guarantors shall not exceed $100,000 at any one time outstanding;

(vi) unsecured Indebtedness to Persons other than the Loan Parties and their Subsidiaries not otherwise permitted under this Section 7.3(a) in an aggregate principal amount not to exceed $500,000 at any time outstanding for the Loan Parties and their Subsidiaries on a consolidated basis;

(vii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided, that such Indebtedness is reasonably promptly extinguished;

(viii) Indebtedness under the Seller Note (without giving effect to any amendment or modification thereof);

(ix) Indebtedness incurred in the ordinary course of business to finance insurance premiums;

(x) Hedge Agreements for bona fide hedging purposes and not for speculation incurred (i) in favor of a Lender or an Affiliate thereof or (ii) in favor of any Person other than a Lender or an Affiliate thereof so long as cash collateral provided to such Persons in respect of such Hedge Agreements does not exceed $250,000 in the aggregate at any one time (it being agreed that no other collateral may be given with respect thereto);

(xi) unsecured contingent liabilities arising with respect to customary indemnification provisions or deferred purchase price adjustments in connection with any transaction permitted under Section 7.1;

(xii) Indebtedness consisting of Guaranteed Indebtedness permitted pursuant to Section 7.6; and

(xiii) Indebtedness in respect of netting services, overdraft protection and other similar arrangements in connection with deposit accounts in the ordinary course of business that are promptly repaid, including endorsement of instruments or payment items for deposit in the ordinary course of business.

(b) No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Subordinated Debt.

Section 7.4 Employee Loans and Affiliate Transactions.

(a) Except as set forth on or pursuant to agreements listed on Schedule 4.24 or Schedule 7.4 or otherwise expressly permitted herein, with respect to Affiliates, officers and directors, no Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, enter into or be a party to any transaction with any Affiliate, officer or director of a Loan Party (other than a Loan Party) except (x) in the ordinary course of such Loan Party's or such Subsidiary's business and upon fair and reasonable terms that are no less favorable to such Loan Party or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person not an Affiliate, officer or director and, if such transaction involves payments from the Loan Parties or any of their Subsidiaries to such Affiliate, officer or director in excess of $250,000 per Fiscal Year, such transaction shall have been disclosed to Administrative Agent in writing and (y) with respect to officers and directors, customary employment, compensation (including with respect to stock options, incentive plans and the like) and indemnification arrangements. All such transactions existing as of the Closing Date are described on Schedule 7.4.

(b) Except as set forth on Schedule 7.4, no Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, enter into any lending or borrowing transaction with any employees of any Loan Party or any Subsidiary of a Loan Party, except loans to their officers, directors and employees (i) on an arm's-length basis in the ordinary course of business consistent with past practices for travel expenses, relocation costs and similar purposes up to a maximum of $50,000 to any employee and up to a maximum of, together with loans described in clause (b)(ii) of this Section 7.4, $350,000 in the aggregate for the Loan Parties and their Subsidiaries at any one time outstanding, and (ii) up to a maximum, together with loans described in clause (b)(i) of this Section 7.4, of $350,000 in the aggregate for the Loan Parties and their Subsidiaries at any one time outstanding, for the purposes described in Section 7.2(i).

Section 7.5 Capital Structure and Business.

No Loan Party (other than Holdings) shall, and no Loan Party shall permit any of its Subsidiaries to, except as permitted in Section 7.1, make any change in its capital structure as described on Schedule 4.8, including the issuance of any shares of Stock, warrants or other securities convertible into Stock or any revision of the terms of its outstanding Stock to the extent any such change could be adverse to the interests of Lenders in any material respect. No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, fundamentally change the "Chuy's" concept or engage in any business other than the businesses currently engaged in by it and business reasonably related thereto. Holdings shall not engage in any business activities, other than (i) its ownership of the Stock of Borrower, (ii) activities incidental to the maintenance of its existence, including legal, tax and accounting matters in connection therewith, (iii) preparing reports to governmental authorities and to its equity holders; (iv) holding Board of Directors and equity holders meetings, preparing partnership, corporate or limited liability company records and other partnership, corporate or limited liability company activities required to maintain its separate partnership, corporate or limited liability company structure or to comply with applicable requirements of law, (v) making Restricted Payments to the extent permitted by the terms hereof and (vi) activities incidental to the foregoing clauses (i) through (v).

Section 7.6 Guaranteed Indebtedness.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, create, incur, assume or permit to exist any Guaranteed Indebtedness except (a) by endorsement of instruments or items of payment for deposit to the general account of any such Person and (b) for Guaranteed Indebtedness incurred for the benefit of any other Loan Party (other than Holdings or any Foreign Subsidiary) if the primary obligation is expressly permitted by this Agreement.

Section 7.7 Liens.

(a) No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on or with respect to any of its properties or assets (whether now owned or hereafter acquired) except for Permitted Encumbrances.

(b) No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, become a party to any agreement, note, indenture or instrument, or take any other action, which would prohibit the creation of a Lien on any of its properties or other assets in favor of Administrative Agent, on behalf of itself and the other Secured Parties, as additional collateral for the Obligations, other than:

(i) customary provisions in leases restricting the mortgage, subletting or assignment thereof;

(ii) customary provisions in agreements or licenses entered into in the ordinary course of business restricting assignment of such agreement or license;

(iii) customary restrictions and conditions contained in any agreement relating to the sale of any property pending the consummation of such sale, provided that (1) such restrictions and conditions apply only to the property to be sold, and (2) such sale is permitted hereunder; and

(iv) negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under clause (i) of Section 7.3(a) but solely to the extent such negative pledge or restriction extends solely to the property financed by such Indebtedness, accessions thereto and the proceeds and the products thereof.

Section 7.8 Sale of Stock and Assets.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, sell, transfer, convey, assign or otherwise dispose of any of its properties or other assets, including the capital Stock of any of its Subsidiaries (whether in a public or a private offering or otherwise) or any of their Accounts (but excluding, for the avoidance of doubt, capital Stock of Holdings), other than:

(a) the sale of Inventory in the ordinary course of business;

(b) the sale, transfer, conveyance or other disposition by a Loan Party or any of its Subsidiaries of Equipment that is obsolete or no longer used or useful in such Person's business and having a value not exceeding $50,000 in any single transaction or $100,000 in the aggregate for the Loan Parties and their Subsidiaries in any Fiscal Year;

(c) other Equipment having a value not exceeding $100,000 in any single transaction or $250,000 in the aggregate for the Loan Parties and their Subsidiaries in any Fiscal Year;

(d) the sale, transfer, conveyance, assignment or disposition by Borrower or a Subsidiary of Borrower to Borrower or another Subsidiary (other than a Foreign Subsidiary) of Borrower, provided, that, if the seller, transferor, conveyor, assignor or disposer is a Loan Party, the buyer, transferee, conveyee, assignee or disposee shall be a Loan Party and provided further that Borrower may not sell, convey, assign or dispose of any material portion of its assets pursuant to this paragraph (d);

(e) other sales, transfers, conveyances, assignments or dispositions of assets (excluding capital Stock) having a fair market value not in excess of $250,000 during any Fiscal Year;

(f) sales, transfers, conveyances, assignments or dispositions solely to effectuate a merger or consolidation permitted pursuant to Section 7.1; and

(g) the licensing, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business.

Section 7.9 ERISA.

No Loan Party shall, or shall cause or permit any of its Subsidiaries or any ERISA Affiliate to, cause or permit to occur an event which could reasonably be expected to result in the imposition of a Lien under Section 412 of the IRC or Section 302 or 4068 of ERISA or under comparable provisions of any Foreign Government Scheme or Arrangement.

Section 7.10 Financial Covenants.

The Loan Parties shall not breach or fail to comply with any of the following financial covenants, each of which shall be calculated in accordance with GAAP consistently applied:

(a) Maximum Capital Expenditures. The Loan Parties and their Subsidiaries on a consolidated basis shall not make Capital Expenditures in any Fiscal Year in an aggregate amount in excess of (i) $18,540,000 with respect to the Fiscal Year ending on or about December 31, 2011, (ii) $21,700,000 with respect to the Fiscal Year ending on or about December 31, 2012, (iii) $23,816,000 with respect to the Fiscal Year ending on or about December 31, 2013, (iv) $26,300,000 with respect to the Fiscal Year ending on or about December 31, 2014, (v) $26,300,000 with respect to the Fiscal Year ending on or about December 31, 2015, and (vi) $13,150,000 with respect to the Fiscal Year ending on or about December 31, 2016. If the Loan Parties and their Subsidiaries do not utilize the entire amount of Capital Expenditures permitted in any Fiscal Year, up to 50% of the amount of Capital Expenditures permitted by this Section 7.10(a) for that Fiscal Year and not utilized (exclusive of any amounts carried over from the prior Fiscal Year) may be utilized in the immediately succeeding Fiscal Year (with Capital Expenditures made by the Loan Parties and their Subsidiaries in such succeeding Fiscal Year applied last to such unutilized amount), provided no amount so carried forward may be expended when an Event of Default exists or would be caused thereby.

(b) Minimum Fixed Charge Coverage Ratio. The Loan Parties and their Subsidiaries shall have on a consolidated basis, as of the end of each Fiscal Quarter, a Fixed Charge Coverage Ratio, for the four Fiscal Quarters then ended, of not less than the following with respect to the Fiscal Quarter set forth opposite each such ratio below:

Fiscal Quarter (ended on or about)	Minimum Ratio
June 30, 2011	1.90.1.00
September 30, 2011	1.90.1.00
December 31, 2011	1.90:1.00
March 31, 2012	1.80:1.00
June 30, 2012	1.70:1.00
September 30, 2012	1.65:1.00
December 31, 2012	1.55:1.00
March 31, 2013	1.55:1.00

Fiscal Quarter (ended on or about)	Maximum Ratio
June 30, 2013	1.60:1.00
September 30, 2013	1.60:1.00
December 31, 2013	1.65:1.00
March 31, 2014	1.70:1.00
June 30, 2014	1.70:1.00
September 30, 2014	1.75:1.00
December 31, 2014	1.80:1.00
March 31, 2015	1.85:1.00
June 30, 2015	1.85:1.00
September 30, 2015	1.90:1.00
December 31, 2015 and the last day of each Fiscal Quarter thereafter	1.90:1.00

(c) Maximum Total Leverage Ratio. The Loan Parties and their Subsidiaries shall have on a consolidated basis as of the end of each Fiscal Quarter, a Total Leverage Ratio for the four Fiscal Quarters then ended, of not more than the following with respect to the Fiscal Quarter set forth opposite each such ratio below:

Fiscal Quarter (ended on or about)	Maximum Ratio
June 30, 2011	4.00:1.00
September 30, 2011	4.00:1.00
December 31, 2011	4.00:1.00
March 31, 2012	3.90:1.00
June 30, 2012	3.90:1.00
September 30, 2012	3.80:1.00
December 31, 2012	3.60:1.00
March 31, 2013	3.55:1.00
June 30, 2013	3.50:1.00
September 30, 2013	3.40:1.00
December 31, 2013	3.20:1.00
March 31, 2014	3.10:1.00
June 30, 2014	3.00:1.00
September 30, 2014	2.90:1.00
December 31, 2014	2.80:1.00
March 31, 2015	2.75:1.00
June 30, 2015	2.55:1.00
September 30, 2015	2.50:1.00
December 31, 2015 and the last day of each Fiscal Quarter thereafter	2.25:1.00

; provided, that, after an initial public offering of Stock of Holdings pursuant to an effective registration statement under the Securities Act of 1933, the Loan Parties and their Subsidiaries shall have on a consolidated basis as of the end of each Fiscal Quarter thereafter, a Total Leverage Ratio for the four Fiscal Quarters then ended of not more than the lesser of (i) the applicable ratio with respect to the Fiscal Quarter set forth opposite each such ratio above and (ii) 2.75:1.00.

(d) Maximum Lease Adjusted Leverage Ratio. The Loan Parties and their Subsidiaries shall have on a consolidated basis as of the end of each Fiscal Quarter, a Lease Adjusted Leverage Ratio for the four Fiscal Quarters then ended, of not more than the following with respect to the Fiscal Quarter set forth opposite each such ratio below:

Fiscal Quarter (ended on or about)	Maximum Ratio
June 30, 2011	5.50:1.00
September 30, 2011	5.50:1.00
December 31, 2011	5.50:1.00
March 31, 2012	5.50:1.00
June 30, 2012	5.50:1.00
September 30, 2012	5.40:1.00
December 31, 2012	5.35:1.00
March 31, 2013	5.30:1.00
June 30, 2013	5.25:1.00
September 30, 2013	5.15:1.00
December 31, 2013	5.00:1.00
March 31, 2014	4.95:1.00
June 30, 2014	4.90:1.00
September 30, 2014	4.80:1.00
December 31, 2014	4.75:1.00
March 31, 2015	4.65:1.00
June 30, 2015	4.55:1.00
September 30, 2015	4.45:1.00
December 31, 2015 and the last day of each Fiscal Quarter thereafter	4.25:1.00

Section 7.11 Hazardous Material.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, cause or permit a Release of any Hazardous Material on, at, in, under, above, to, from or about any of the Real Estate where such Release would (a) violate in any respect, or form the basis for any Environmental Liabilities under, any Environmental Laws or Environmental Permits or (b) otherwise adversely impact the value or marketability of any of the Real Estate or any of the Collateral, other than such violations or impacts which could not reasonably be expected to have a Material Adverse Effect.

Section 7.12 Sale-Leasebacks.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, engage in any sale-leaseback, synthetic lease or similar transaction involving any of its assets.

Section 7.13 Cancellation of Indebtedness.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, cancel any claim or debt owing to it, except in the ordinary course of its business.

Section 7.14 Restricted Payments.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, make any Restricted Payment, except:

(a) dividends and distributions by Subsidiaries of a Loan Party paid to such Loan Party (other than Holdings);provided, that dividends and distributions by a non-wholly owned Subsidiary of a Loan Party shall only be made with the prior written consent of Administrative Agent if any Person other than a Loan Party would be entitled to receive any portion of such dividend or distribution;

(b) in the event the Loan Parties file a consolidated federal, or any consolidated, unitary, combined or similar state or local, income tax return with Holdings, the Loan Parties may make distributions to Holdings to permit Holdings to substantially concurrently pay income taxes then due and owing, franchise taxes and other similar licensing and tax expenses incurred in the ordinary course of business, provided that the amount of such distribution shall not be greater, nor the receipt by the Loan Parties of tax benefits less, than they would have been had the Loan Parties not filed a consolidated return with Holdings;

(c) employee loans permitted under Section 7.4(b);

(d) payment of reasonable and customary directors' fees and expenses and indemnities, provided that the amount of such fees and expenses does not exceed, together with management fees paid in such Fiscal Year and described in clause (e) below, $500,000 in the aggregate (excluding the value of any payments to directors consisting of Stock or other equity interests of Holdings) for the Loan Parties and their Subsidiaries during any Fiscal Year;

(e) payment of a management fee to Sponsor pursuant to the Management Agreement not to exceed $350,000 per annum payable in equal quarterly installments, in advance; provided, however, that the fees described in this clause (e) shall not be paid during any period while an Event of Default has occurred and is continuing or would arise as a result of such payment; provided, further, any fees not paid due to the existence of an Event of Default shall be deferred and may be paid so long as (i) no Event of Default has occurred

and is continuing or would arise as a result of any such payment, (ii) after giving effect to any such payment the Loan Parties and their Subsidiaries are in compliance on a pro forma basis with the financial covenants set forth in Section 7.10, recomputed for the most recent Fiscal Quarter for which financial statements have been delivered to Administrative Agent and Lenders pursuant to the terms of this Agreement, and (iii) immediately after giving effect to any such payment Borrowing Availability less the aggregate outstanding principal balance of Advances shall not be less than $1,000,000; and

(f) distributions to Holdings which are substantially concurrently used by Holdings to redeem from current or former management stockholders (or their estates in the case of a deceased Person) shares of Stock of Holdings provided all of the following conditions are satisfied: (i) no Event of Default has occurred and is continuing or would arise as a result of such Restricted Payment, (ii) after giving effect to such Restricted Payment, the Loan Parties and their Subsidiaries are in compliance on a pro forma basis with the financial covenants set forth in Section 7.10, recomputed for the most recent Fiscal Quarter for which financial statements have been delivered to Administrative Agent and Lenders pursuant to the terms of this Agreement, (iii) the aggregate Restricted Payments permitted under this clause (f) shall not exceed $750,000 in any Fiscal Year and $1,650,000 during the term of this Agreement and (iv) immediately after giving effect to such Restricted Payment, Borrowing Availability less the aggregate outstanding principal balance of Advances shall not be less than $500,000;

(g) distributions by Holdings to the holders of its Stock and/or special bonus payments to management solely with the proceeds of, and substantially concurrently with the consummation of, a public offering of Stock pursuant to an effective registration statement under the Securities Act of 1933 so long as the Loan Parties have made, prior to or substantially concurrently with any such distribution, the mandatory prepayment, if any, required under Section 2.3(b)(iii)(B) in accordance with this Agreement; and

(h) the Dividend Recapitalization within 45 days following the Closing Date.

Section 7.15 Change of Jurisdiction, Corporate Name or Location; Change of Fiscal Year.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, (a) except in the case of the non-surviving entity in a merger or other transaction permitted under Section 7.1, change its jurisdiction of organization and/or organizational identification number (if any), (b) change its name unless Administrative Agent has been provided no less than fifteen (15) days' prior written notice of same with all details related thereto as Administrative Agent may reasonably request or (c) change its chief executive office, principal place of business, corporate offices or warehouses or locations at which Collateral with a value (individually or in the aggregate) in excess of $250,000 is held or stored, or the location of its records concerning the Collateral, in any case without at least thirty (30) days' prior written notice to Administrative Agent, and provided that any such new location of a

Loan Party or any of its Domestic Subsidiaries shall be in the continental United States. Without limiting the foregoing, no Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, change its location, name, identity or organizational form in any manner which might make any financing or continuation statement filed in connection herewith seriously misleading within the meaning of Section 9-506 of the Code or any other then applicable provision of the Code except upon ten (10) days prior written notice to Administrative Agent. No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, change its Fiscal Year or method of determining Fiscal Quarters or Fiscal Months.

Section 7.16 No Impairment of Intercompany Transfers; Negative Pledge.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, directly or indirectly enter into or become bound by any agreement, instrument, indenture or other obligation (other than this Agreement and the other Loan Documents) which could reasonably be expected to directly or indirectly restrict, prohibit or require the consent of any Person with respect to the payment of dividends or distributions or the making or repayment of intercompany loans by a Subsidiary of a Loan Party to such Loan Party, except for such restrictions, prohibitions or requirements existing under applicable mandatory legal requirements or this Agreement and the other Loan Documents.

Section 7.17 No Speculative Transactions.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries to, engage in any transaction involving commodity options, futures contracts or similar transactions, except for Hedge Agreements permitted under Section 7.3(a)(x).

Section 7.18 Amendments of Organization Documents.

No Loan Party shall, and no Loan Party shall permit any of its Subsidiaries or other Affiliates to, amend, modify or alter, or permit to be amended, modified or altered any of such Loan Party's Organization Documents to the extent the same (i) could reasonably be expected to have a Material Adverse Effect, (ii) would cause or result in a Default or Event of Default hereunder or (iii) is adverse in any material respect to the interests of Administrative Agent or any Lender in their capacities as such. In addition to the foregoing, no Loan Party shall, and no Loan Party shall permit any of its Subsidiaries or its Affiliates to, amend, modify or alter, or permit to be amended, modified or altered, any Subordinated Debt Document, or enter into any new document or agreement with respect thereto (including without limitation any side letter) unless such amendments, modifications, alterations and new documents and agreements are expressly permitted by the applicable subordination or intercreditor agreement and the Loan Parties have given at least five (5) Business Days prior written notice to Agent thereof.

Section 7.19 Anti-Terrorism Laws.

No Loan Party shall conduct, deal in or engage in or permit any Affiliate or agent of such Person within its control to conduct, deal in or engage in any of the following activities: (i) conduct any business or engage in any transaction or dealing with any person blocked pursuant to Executive Order No. 13224 ("Blocked Person"), including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person; (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or (iii) engage in on conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or the USA Patriot Act. The Loan Parties shall deliver to Administrative Agent and Lenders any certification or other evidence reasonably requested from time to time by Administrative Agent or any Lender, in its sole discretion, confirming the Loan Parties' compliance with this Section 7.19.

Section 7.20 New Store Leases.

No Loan Party shall, nor shall it permit any of its Subsidiaries to, upon the occurrence and during the continuance of any Event of Default under Section 9.1(b) as a result of the Loan Parties' failure to comply with the financial covenants set forth in Section 7.10, enter into any new lease or other agreement in respect of opening a new store location without the express prior written consent of Administrative Agent.

ARTICLE VIII

TERM

Section 8.1 Termination.

The financing arrangements contemplated hereby in respect of the Revolving Loan Commitment shall be in effect until the Revolving Loan Commitment Termination Date, and the Loans and all other Obligations shall be automatically due and payable in full on the dates provided for in this Agreement and the other Loan Documents.

Section 8.2 Survival of Obligations Upon Termination of Financing Arrangements.

Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of the Loan Parties or the rights of Administrative Agent and Lenders relating to any unpaid portion of the Loans or any other Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Revolving Loan Commitment Termination Date. Any indemnification or other protection provided to any

Indemnified Person pursuant to the provisions of Section 2.10, Section 2.11, Section 2.12, this Section 8.2, Article X or Article XII, and the indemnities contained in the Loan Documents shall survive the termination of the Commitments and the payment in full of all other Obligations.

ARTICLE IX

EVENTS OF DEFAULT: RIGHTS AND REMEDIES

Section 9.1 Events of Default.

The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder:

(a) (i) Borrower fails (1) to pay when and as required to be paid herein, any amount of principal of any Loan (including any mandatory payment required by Section 2.3), or (2) to pay within two (2) Business Days after the same shall become due, interest on any Loan or any Fees, (ii) any Loan Party fails to pay or reimburse Administrative Agent or Lenders for any expense reimbursable hereunder or under any other Loan Document within five (5) Business Days following the due date therefor (or, if there is no due date therefor, within five (5) Business Days following Administrative Agent's demand for and reasonably detailed statement of any such payment or reimbursement), or (iii) any Loan Party fails to pay or reimburse Administrative Agent or Lenders for any other Obligations not described in the preceding clauses (i) and (ii), within five (5) Business Days following the due date therefor (or, if there is no due date therefor, within five (5) Business Days following Administrative Agent's demand for and reasonably detailed statement of any such payment or reimbursement).

(b) Any Loan Party shall fail or neglect to perform, keep or observe any of the provisions of the Fee Letter or any ofSections 2.4, 6.1, 6.4 (but solely with respect to the first sentence of subsection (a) thereof), 6.9, 6.10 or 6.12, or Articles V or VII, respectively, hereof.

(c) [**Reserved**].

(d) Any Loan Party or any Subsidiary of a Loan Party shall fail or neglect to perform, keep or observe any other provision of this Agreement or of any of the other Loan Documents (other than any provision embodied in or covered by any other clause of this Section 9.1 or that by its terms states that it constitutes an immediate Event of Default) and the same shall remain unremedied for thirty (30) days or more following the earlier to occur of (a) notice thereof furnished to any Loan Party by Administrative Agent or any Lender and (b) the date any executive officer of a Loan Party has (or reasonably should have had) knowledge of the occurrence of the acts or omissions that constitute such failure.

(e) A default, breach or other event shall occur under the Seller Note or any agreement, document or instrument evidencing Indebtedness in excess of $500,000 in the aggregate to which any Loan Party or any of its Subsidiaries is a party which, in the case of a default or breach, is not cured within any applicable grace period, and such default, breach or other event (i) involves the failure to make any payment when due in respect of any such Indebtedness (other than the Obligations) of any Loan Party or any Subsidiary of a Loan Party, or (ii) causes, or permits any holder of such Indebtedness or a trustee to cause, such Indebtedness or a portion thereof to become due or to be redeemed, repurchased, prepaid or defeased, in each case prior to its stated maturity or prior to its regularly scheduled dates of payment, regardless of whether such default, breach or other event is waived, or such right is exercised, by such holder or trustee.

(f) Any representation or warranty herein or in any Loan Document, or any information contained in any written statement, report, financial statement or certificate, in any case made or delivered to Administrative Agent or any Lender by any Loan Party is untrue or incorrect in any material respect (or any such representation or warranty that is qualified as to materiality, including by reference to "material," "Material Adverse Effect" or dollar thresholds, shall be untrue or incorrect in any respect) as of the date when made or deemed made.

(g) Assets of any Loan Party or any Subsidiary of a Loan Party with a fair market value of $500,000 or more shall be attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Loan Party or any of its Subsidiaries and such condition continues for forty five (45) consecutive days or more.

(h) A case or proceeding shall have been commenced against any Loan Party or any Subsidiary of a Loan Party seeking a decree or order in respect of any Loan Party or Subsidiary of a Loan Party (i) under Title 11 of the United States Code, as now constituted or hereafter amended or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for any Loan Party, any Subsidiary of a Loan Party or of any substantial part of any such Person's assets, or (iii) ordering the winding-up or liquidation of the affairs of any Loan Party or any Subsidiary of a Loan Party, and such case or proceeding shall remain undismissed or unstayed for forty five (45) consecutive days or more or such court shall enter a decree or order granting the relief sought in such case or proceeding.

(i) Any Loan Party or any Subsidiary of a Loan Party (i) shall file a petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) shall fail to contest in a timely and appropriate manner or shall consent to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) of any Loan Party, any Subsidiary of a Loan Party or of any substantial part of any such Person's assets, (iii) shall make an assignment for the benefit of creditors, (iv) shall take any formal corporate action approving any of the foregoing; or (v) shall admit in writing its inability to, or shall be generally unable to, pay its debts as such debts become due or otherwise becomes not Solvent.

(j) A final judgment or judgments for the payment of money in excess of $750,000 in the aggregate (excluding any amounts covered by insurance) at any time outstanding shall be rendered against any Loan Party or any of its Subsidiaries and the same shall not, within thirty (30) days after the entry thereof, have been discharged or execution thereof stayed or bonded pending appeal, or shall not have been discharged prior to the expiration of any such stay.

(k) Any material provision of any Loan Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or any Loan Party or Subsidiary of a Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any security interest created under any Loan Document shall cease to be a valid and perfected first priority security interest or Lien (except as otherwise permitted herein or therein) in any of the Collateral purported to be covered thereby (other than Collateral with an aggregate fair market value not in excess of $250,000).

(l) There shall occur the loss, suspension or revocation of, or failure to renew, any license or permit now held or hereafter acquired by any Loan Party or any of its Subsidiaries if such loss, suspension, revocation or failure to renew could reasonably be expected to have a Material Adverse Effect.

(m) The occurrence of a Change of Control.

(n) Any Loan Party or any Subsidiary of a Loan Party shall breach that certain Settlement Agreement and Mutual Releases, dated as of May 22, 1998, by and between Chuy's Comida Deluxe, Inc. and Baja Chuy's Mesquite Broiler, Inc. (the "Settlement Agreement") by (i) opening a new restaurant in Arizona, California or Nevada without having first acquired the right to use the "Chuy's" name in such jurisdictions in accordance with the Settlement Agreement and this Agreement or (ii) breaching any other provision of Section 5(d) of the Settlement Agreement and such breach could reasonably be expected to have a Material Adverse Effect.

(o) There shall occur any material damage to, or loss, theft or destruction of, any material assets of any Loan Party or any Subsidiary of a Loan Party or any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty, which in any such case causes, for more than fifteen (15) consecutive days, the cessation or substantial curtailment of revenue producing activities at any facility of any Loan Party or any Subsidiary of a Loan Party if such event or circumstance is not covered by business interruption insurance and has a Material Adverse Effect.

(p) Any Loan Party or any Subsidiary of a Loan Party shall default in any of its payment obligations, covenants or agreements under any other lease, contract or agreement (excluding the Loan Documents) and with respect to which such default would or could reasonably be expected to have a Material Adverse Effect.

(q) Any Loan Party or any Subsidiary of a Loan Party is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of the business of the Loan Parties, taken as whole, for more than thirty (30) consecutive days.

(r) The subordination provisions of any agreement, document or instrument governing any Subordinated Debt in excess of $2,000,000 shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect, or any Loan Party or any Subsidiary of a Loan Party shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations (or any Lien securing the Obligations) for any reason shall not have the priority contemplated by this Agreement or such subordination provisions or, in the case of Liens, the Collateral Documents.

Section 9.2 Remedies.

(a) If any Default or Event of Default shall have occurred and be continuing, the Administrative Agent may (and at the written request of Requisite Lenders shall), with or without notice, suspend this facility with respect to further Advances, Delayed Draw Term B Loans and/or the issuance of further Letters of Credit whereupon any further Advances, Delayed Draw Term B Loans and Letters of Credit shall be made or extended in Administrative Agent's sole discretion (or in the sole discretion of the Requisite Lenders, if such suspension occurred at their direction) so long as such Default or Event of Default is continuing.

(b) If any Event of Default shall have occurred and be continuing, Administrative Agent may, and at the written request of the Requisite Lenders shall, with or without notice, (i) terminate this facility with respect to further Advances, Delayed Draw Term B Loans or the issuance of further Letters of Credit; (ii) declare all or any portion of the Obligations, including all or any portion of any Loan, to be forthwith due and payable (together with any LIBOR funding breakage costs as required under the terms of this Agreement), provided that, notwithstanding anything to the contrary herein, the prepayment premium described in Section 2.3(g) shall not be applicable to any such prepayment, and require that the Letter of Credit Obligations be cash collateralized or otherwise supported as provided in Section 2.2, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrower and each other Loan Party; and (iii) exercise any rights and remedies provided to Administrative Agent under any Loan Document and/or at law or equity, including all remedies provided under the Code; provided, however, that upon the occurrence of an Event of Default specified in Section 9.1(h) or Section 9.1(i) (but not clause (v) of Section 9.1(i)), all of the Obligations, shall become immediately due and payable and the obligation of the Revolving Lenders to make further Advances and issue further Letters of Credit shall automatically terminate, each without declaration, notice or demand by any Person.

Section 9.3 Waivers by Loan Parties.

Except as otherwise provided for in this Agreement or by applicable law, if a Default or an Event of Default has occurred and is continuing, each Loan Party waives (including for purposes of Article XIII): (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Administrative Agent on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Administrative Agent may do in this regard in accordance with the terms of the Loan Documents, (b) all rights to notice and a hearing prior to Administrative Agent's taking possession or control of, or to Administrative Agent's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Administrative Agent to exercise any of its remedies and (c) the benefit of all valuation, appraisal, marshalling and exemption laws.

ARTICLE X

ASSIGNMENT AND PARTICIPATIONS; APPOINTMENT OF ADMINISTRATIVE AGENT

Section 10.1 Assignment and Participations.

(a) Any Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of any of its Commitments and the Loans at the time owing to it); provided, however, that (i) Administrative Agent must give its prior written consent to such assignment (which consent by Administrative Agent shall not be required with respect to an assignment to a Lender (other than a Defaulting Lender or a Prior Defaulting Lender), an Affiliate of a Lender (other than an Affiliate of a Defaulting Lender or a Prior Defaulting Lender) or to an Approved Fund (other than an Approved Fund of a Defaulting Lender or a Prior Defaulting Lender) and shall not, in each case, otherwise be unreasonably withheld or delayed), (ii) the amount of the Commitments and/or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance Agreement with respect to such assignment is delivered to Administrative Agent) shall not be less than (x) with respect to the Revolving Loan Commitment, $500,000, (y) with respect to the Term Loans (or Delayed Draw Term Loan B Commitment), $1,000,000, and (z) with respect to the Incremental Term Loan, $1,000,000 (or, if less, the entire remaining amount of such Lender's Revolving Loan Commitment, Term A Loan, Delayed Draw Term B Loan (or Delayed Draw Term Loan B Commitment) or Incremental Term Loan, as applicable); provided, however, that, notwithstanding the foregoing, assignments to a Lender, an Affiliate of a Lender or an Approved Fund shall not be subject to the foregoing minimum assignment limitations,

(iii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance Agreement, together with, unless such assignment shall be to an Affiliate of such Lender or to an Approved Fund, a processing and recordation fee of $3,500, (iv) the assignee, if it shall not be a Lender immediately prior to the assignment, shall deliver to Administrative Agent an Administrative Questionnaire, (v) notwithstanding anything herein to the contrary, no assignment may be made to Sponsor, any Loan Party, any holder of Subordinated Debt, any holder of any Indebtedness that is secured by Liens that have been contractually subordinated to the Liens securing the Obligations or any Affiliate of any of the foregoing Persons without the prior written consent of Administrative Agent, which consent may be withheld in Administrative Agent's sole discretion and, in any event, if granted, may be conditioned on such terms and conditions as Administrative Agent shall require in its sole discretion, including, without limitation, a limitation on the aggregate amount of Loans and Commitments which may be held by such Person and/or its Affiliates and/or limitations on such Person's and/or its Affiliates' voting and consent rights and/or rights to attend Lender meetings or obtain information provided to other Lenders and (vi) absent an Event of Default existing, Borrower shall have provided its advance written consent to such assignment; provided, such consent shall not be required with respect to an assignment to a Lender, an Affiliate of a Lender or an Approved Fund and shall not otherwise be unreasonably withheld or delayed. Upon acceptance and recording pursuant to paragraph (d) of this Section 10.1, from and after the effective date specified in each Assignment and Acceptance Agreement, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance Agreement, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance Agreement covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.11, 2.12, 12.3 and 12.4 as well as to any Fees accrued for its account and not yet paid).

(b) By executing and delivering an Assignment and Acceptance Agreement, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Revolving Loan Commitment or Delayed Draw Term B Loan Commitment and the outstanding balances of its Pro Rata Share of the Term Loans, Incremental Term Loan and Revolving Loan, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance Agreement, (ii) except as set forth in clause (i) above or in the applicable Assignment and Acceptance Agreement, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of any Loan Party or any Subsidiary thereof or the

performance or observance by any Loan Party or any Subsidiary thereof of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance Agreement; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 4.4(a) or delivered pursuant to Section 5.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance Agreement; (v) such assignee will independently and without reliance upon Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) Administrative Agent, acting for this purpose as a non-fiduciary agent of Borrower, shall maintain at its offices in The City of New York a copy of each Assignment and Acceptance Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and Borrower, Administrative Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, in the absence of manifest error. Notwithstanding anything to the contrary, any assignment of any Loan shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by Borrower, Administrative Agent and any Lender (solely with respect to its Loans and/or Commitment), at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance Agreement executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder) and if required the written consent of Borrower and Administrative Agent to such assignment, Administrative Agent shall (i) accept such Assignment and Acceptance Agreement, and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this clause (d).

(e) Any Lender may without the consent of Borrower or Administrative Agent, sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto

for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in, subject to the limitations of, Sections 2.11 and 2.12 to the same extent as if they were Lenders (but, with respect to any particular participant, to no greater extent than the Lender that sold the participation to such participant), and (iv) Borrower, Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the right to enforce the obligations of Borrower relating to the Loans or Letter of Credit Obligations and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans, increasing or extending the Commitments or releasing any Guarantor or all or any substantial part of the Collateral). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under this Agreement; provided that no Lender shall have any obligation to disclose all or any portion of the register to any Person (including the identity of any participant or any information relating to a participant's interest in any Loans or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Loan or other obligation is in registered form under Treasury Reg. Section 5f.103-1(c). The entries in the participant register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the participant register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. Notwithstanding anything herein to the contrary, no participation may be sold to Sponsor, any Loan Party, any holder of Subordinated Debt, any holder of any Indebtedness that is secured by Liens that have been contractually subordinated to the Liens securing the Obligations or any Affiliate of any of the foregoing Persons without the prior written consent of Administrative Agent, which consent may be withheld in Administrative Agent's sole discretion and, in any event, if granted, may be conditioned on such terms and conditions as Administrative Agent shall require in its sole discretion, including, without limitation, a limitation on the aggregate amount of Loans and Commitments which may be participated to such Person and/or its Affiliates and/or limitations on such Person's and/or its Affiliates' voting and consent rights and/or rights to attend Lender meetings or obtain information provided to Lenders.

(f) Each Loan Party hereby acknowledges that Administrative Agent and the Lenders and/or each of their Affiliates may securitize all or any part of the Loans through the pledge of all or any part of the Loan Documents as collateral security for loans thereto or through the issuance of direct or indirect interests in all or any part of the Loans, which loans to Borrower or their direct or indirect interests may be rated by Moody's, S&P or one or more other nationally recognized rating agencies (the "Rating Agencies").

Section 10.2 Appointment of Administrative Agent.

GC-Cap is hereby appointed to act on behalf of the Lenders as Administrative Agent under this Agreement and the other Loan Documents. The provisions of this Section 10.2 are solely for the benefit of the Administrative Agent and Lenders and no Loan Party nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Administrative Agent does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Loan Party or any other Person. Administrative Agent shall not have any duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents, together with such powers as are reasonably related thereto. The duties of Administrative Agent shall be mechanical and administrative in nature and Administrative Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender. Neither Administrative Agent nor any of its Affiliates nor any of its officers, directors, employees, agents or representatives shall be liable to any Lender for any action taken or omitted to be taken by it hereunder or under any other Loan Document, or in connection herewith or therewith, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

If Administrative Agent shall request instructions from Requisite Lenders or all affected Lenders, as the case may be, with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, then Administrative Agent shall be entitled, solely as to claims between or among Administrative Agent and the Lenders, to refrain from such act or taking such action unless and until it shall have received instructions from Requisite Lenders or all affected Lenders, as the case may be, and Administrative Agent shall incur no liability to any Lender by reason of so refraining. Solely as between Administrative Agent and the Lenders, Administrative Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document (a) if such action would, in the opinion of Administrative Agent, be contrary to law or the terms of this Agreement or any other Loan Document, (b) if such action would, in the opinion of Administrative Agent, expose Administrative Agent to Environmental Liabilities or (c) if Administrative Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent's acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Requisite Lenders or all affected Lenders, as applicable.

Section 10.3 Administrative Agent's Reliance, Etc.

Neither Administrative Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages to the extent caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limitation of the generality of the foregoing, Administrative Agent: (a) may treat the payee of any Note as the holder thereof until it receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to Administrative Agent; (b) may consult with legal counsel, independent chartered accountants and other experts and consultants selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, experts or consultants; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Loan Party or to inspect the Collateral (including the books and records) of any Loan Party; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (f) absent its gross negligence or willful misconduct, shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by email, telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

Section 10.4 Administrative Agent and Affiliates; Syndication Agent.

With respect to its Commitments and Loans hereunder, Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Administrative Agent in its individual capacity (to the extent it holds any Obligations owing to the Lenders or Commitments hereunder). Administrative Agent and each of its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Loan Party, any of their Affiliates and any Person who may do business with or own securities of any Loan Party or any such Affiliate, all as if Administrative Agent was not Administrative Agent and without any duty to account therefor to Lenders. Administrative Agent and its Affiliates may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

The Syndication Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement.

Section 10.5 Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender and based on the Financial Statements referred to in Section 4.4(a) or as more recently delivered under Section 5.1(a) and such other documents and information as it has deemed appropriate, made its own credit and financial analysis of the Loan Parties and its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

Section 10.6 Indemnification.

Lenders agree to indemnify Administrative Agent (to the extent not reimbursed by Loan Parties and without limiting the obligations of Loan Parties hereunder), ratably according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by Administrative Agent in connection therewith; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from Administrative Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Administrative Agent is not reimbursed for such expenses by the Loan Parties.

Section 10.7 Successor Administrative Agent.

Administrative Agent may resign at any time by giving not less than thirty (30) days' prior written notice thereof to Lenders and Borrower. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within thirty (30) days after the Administrative Agent's giving notice of resignation, then the Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent, which shall be a Lender, if a Lender is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution has combined capital of at least $300,000,000. If no successor Administrative Agent has been appointed pursuant to the foregoing, by the 30th day after the date such notice of resignation was given by the resigning Administrative Agent, such

resignation shall become effective and the Requisite Lenders shall thereafter perform all the duties of Administrative Agent hereunder until such time, if any, as the Requisite Lenders appoint a successor Administrative Agent as provided above. Any successor Administrative Agent appointed by Requisite Lenders or Administrative Agent hereunder shall be subject to the approval of Borrower, such approval not to be unreasonably withheld or delayed; provided that such approval shall not be required if an Event of Default shall have occurred and be continuing. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent. Upon the earlier of the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent or the effective date of the resigning Administrative Agent's resignation, the resigning Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity rights or other rights in favor of such resigning Administrative Agent shall continue. After any resigning Administrative Agent's resignation hereunder, the provisions of this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

Section 10.8 Set-Off and Sharing of Payments.

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, with the prior written consent of Administrative Agent, each Lender is hereby authorized at any time or from time to time, without notice to any Loan Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all balances held by it at any of its offices for the account of any Loan Party or any Subsidiary of a Loan Party (regardless of whether such balances are then due to such Loan Party or such Subsidiary) and any other properties or assets any time held or owing by that Lender to or for the credit or for the account of any Loan Party or any Subsidiary of a Loan Party against and on account of any of the Obligations which are not paid when due. Any Lender exercising a right to set off or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations shall purchase for cash (and the other Lenders shall sell) such participations in each such other Lender's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so set off or otherwise received with each other Lender in accordance with their respective Pro Rata Shares and in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations. Each Loan Party agrees, to the fullest extent permitted by law, that (a) any Lender or holder may exercise its right to set off with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amount so set off to other Lenders and holders and (b) any Lender so purchasing a participation in the Loans made or other Obligations held by other Lenders may exercise all rights of set-off, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of the Loans and the other

Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the set-off amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of set-off, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest. Each Lender agrees to promptly notify Borrower and Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect or impair the validity of such setoff and application or such Lender's other rights under this Section 10.8.

Section 10.9 No Liability; Return of Payment; Defaulting Lenders; Information; Actions in Concert

(a) No Liability for Advances. Nothing in this Agreement or the other Loan Documents shall be deemed to require Administrative Agent to advance funds on behalf of any Revolving Lender or to relieve any Revolving Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrower may have against any Revolving Lender as a result of any default by such Revolving Lender hereunder. To the extent that Administrative Agent advances funds to Borrower on behalf of any Revolving Lender and is not reimbursed therefor on the same Business Day as such Advance is made, Administrative Agent shall be entitled to retain for its account all interest accrued on such Advance until reimbursed by the applicable Revolving Lender.

(b) Return of Payments.

(i) If Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Administrative Agent from Borrower and such related payment is not received thereby, then Administrative Agent will be entitled to recover such amount from such Lender on demand without set-off, counterclaim or deduction of any kind.

(ii) If Administrative Agent determines at any time that any amount received thereby under this Agreement must be returned to Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as Administrative Agent is required to pay to Borrower or such other Person, without set-off, counterclaim or deduction of any kind.

(c) Defaulting Lenders. Neither the failure of any Defaulting Lender to make any Advance or Delayed Draw Term B Loan or purchase any participation required to be made or purchased by it in accordance with the terms of this Agreement nor the status of any Revolving Lender or Delayed Draw Term B Lender as a Defaulting Lender shall relieve

any other Revolving Lender or Delayed Draw Term B Lender (each such other Revolving Lender or Delayed Draw Term B Lender, an "Other Lender") of its obligations to make such Advance or Delayed Draw Term B Loan or purchase such participation on such date, but neither any Other Lender nor Administrative Agent shall be responsible for the failure of any Defaulting Lender to make an Advance or Delayed Draw Term B Loan to be made, or to purchase a participation to be purchased, by such Defaulting Lender, and no Other Lender shall have any obligation to Administrative Agent or any other Lender for the failure by such Defaulting Lender. Notwithstanding anything set forth herein to the contrary, a Defaulting Lender (of the type described in clause (a) of the definition of Defaulting Lender) shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" or a "Revolving Lender" (or be included in the calculation of "Requisite Lenders" hereunder) for any voting or consent rights under or with respect to any Loan Document; provided that the foregoing shall not permit, without the consent of such Defaulting Lender, (i) an increase in the principal amount of such Defaulting Lender's Commitment, (ii) the reduction of the principal of, rate of interest on (other than reducing or waiving Default Interest) or Fees payable with respect to any Loan or Letter of Credit Obligations of such Defaulting Lender or (iii) unless all other Lenders affected thereby are treated similarly, the extension of any scheduled payment date or final maturity date of the principal of any Loan of such Defaulting Lender (it being understood and agreed that payments pursuant to Section 2.3 are not "scheduled"). If Borrower, Administrative Agent and each Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender, if a Revolving Lender, will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Revolving Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Revolving Lenders in accordance with the Revolving Commitments**,** whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

(d) Dissemination of Information. Administrative Agent will use reasonable efforts to provide Lenders with any written notice of Default or Event of Default received by Administrative Agent from, or delivered by Administrative Agent to, any Loan Party; provided, however, that Administrative Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable solely to Administrative Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Administrative Agent and Lenders acknowledge that Borrower is required to provide financial statements and other financial information and Collateral Reports to Administrative Agent and Lenders in accordance with Article V and agree that Administrative Agent shall not have any duty to provide the same to Lenders.

(e) Actions in Concert. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender and with Administrative Agent that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any other Loan Document (including exercising any rights of set-off) without first obtaining the prior written consent of the Administrative Agent, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the other Loan Documents shall be taken in concert and at the direction or with the consent of Administrative Agent or Requisite Lenders.

(f) Affected Lenders. If any Lender (i) (other than Administrative Agent, as a Lender, or any of its Affiliates or Approved Funds as Lenders) does not consent to a proposed Loan Modification requested by Borrower, which proposed Loan Modification is approved by at least the Requisite Lenders, (ii) is a Defaulting Lender or a Prior Defaulting Lender, (iii) demands any payment or is prohibited from making or maintaining LIBOR Loans under Section 2.12 hereof, or (iv) is the cause of Borrower having to pay any additional amount to such Lender or any Governmental Authority pursuant to Section 2.11 hereof (each relevant Lender in clauses (i) through (iv) being an "Affected Lender"), then Administrative Agent or Borrower, upon at least three (3) Business Days notice to such Lender, Borrower and Administrative Agent, may permanently replace the Affected Lender with one or more substitute Lenders (each, a "Replacement Lender"). Prior to the effective date of such replacement, the Affected Lender and each Replacement Lender shall execute and deliver an Assignment and Acceptance Agreement, subject only to the Affected Lender being repaid, at par, its share of the outstanding Obligations (including an assumption of its Pro Rata Share of the Letter of Credit Obligations) together with, except in the case of a Defaulting Lender or a Prior Defaulting Lender, any prepayment premium payable pursuant to this Agreement; provided if such Affected Lender is the only Lender that failed to give its consent, authorization or agreement to a proposed Loan Modification, then such repayment will be without any premium of any kind whatsoever. Any Replacement Lender (other than an existing Lender) chosen by Borrower shall be subject to the prior written approval of Administrative Agent (such approval not to be unreasonably withheld, conditioned or delayed so long as no Event of Default shall have occurred and be continuing). If the Affected Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance Agreement prior to the effective date of such replacement, the Affected Lender shall be deemed to have executed and delivered such Assignment and Acceptance Agreement. The replacement of any Affected Lender shall be made in accordance with the terms of Section 10.1. Until such time as the Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Affected Lender hereunder and under the other Loan Documents, the Affected Lender shall remain obligated to make its Pro Rata Share of the Revolving Loan and Delayed Draw Term Loan B and, to the extent applicable, purchase a participation in each Letter of Credit in an amount equal to its Pro Rata Share (based on the Revolving Loan Commitments) of such Letter of Credit.

Section 10.10 No Reliance on Administrative Agent's Customer Identification Program.

Each Lender and Administrative Agent acknowledges and agrees that none of such Lender, Administrative Agent and any of their Affiliates, participants or assignees may rely on Administrative Agent to carry out such Lender's, Administrative Agent's or their Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Order, including any programs involving any of the following items relating to or in connection with Borrower, its Affiliates, officers, directors or agents, the Loan Documents or the transactions hereunder: (1) any identity verification procedures, (2) any recordkeeping, (3) any comparisons with government lists, (4) any customer notices or (5) any other procedures required under the CIP Regulations or such other Requirements of Law.

Section 10.11 USA Patriot Act.

Each Lender or participant or assignee of a Lender that is not incorporated under the laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Administrative Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "foreign shell bank" and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (1) within 10 days after the Closing Date and (2) at such other times as are required under the USA Patriot Act.

Section 10.12 Release of Collateral or Guarantors.

Each Lender and L/C Issuer hereby consents to the release, and hereby directs the Administrative Agent to release, the following:

(a) any Subsidiary of Borrower from its guaranty of any Obligation if all of the Stock of such Subsidiary owned by any Loan Party is sold or transferred in a transaction permitted under the Loan Documents (including pursuant to a waiver or consent), to the extent that, after giving effect to such transaction, such Subsidiary would not be required to guaranty any Obligations pursuant to Section 6.11; and

(b) any Lien held by the Administrative Agent for the benefit of the Secured Parties against any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Loan Party to a Person that is not a Loan Party in a transaction permitted by the Loan Documents (including pursuant to a valid waiver or consent).

Section 10.13 Credit Bid.

Each Loan Party, each Lender and L/C Issuer each hereby irrevocably authorizes Administrative Agent, based upon the written instruction of the Requisite Lenders, to bid and purchase for an amount approved by Requisite Lenders (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted (i) by Administrative Agent under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code (ii) under the provisions of the Bankruptcy Code, including Section 363, 365 and/or 1129 of the Bankruptcy Code, or (iii) conducted by Administrative Agent (whether by judicial action or otherwise, including a foreclosure sale) in accordance with applicable law (clauses (i), (ii) an (iii), a "Collateral Sale"); and in connection with any Collateral Sale, Administrative Agent may (with the consent of Requisite Lenders) accept non-cash consideration, including debt and equity securities issued by such acquisition vehicle under the direction or control of Administrative Agent and Administrative Agent may (with the consent of Requisite Lenders) offset all or any portion of the Obligations against the purchase price of such Collateral.

ARTICLE XI

SUCCESSORS AND ASSIGNS

Section 11.1 Successors and Assigns.

This Agreement and the other Loan Documents shall be binding on and shall inure to the benefit of each Loan Party, Administrative Agent, Lenders and their respective successors and assigns (including, in the case of any Loan Party, a debtor-in-possession on behalf of such Loan Party), except as otherwise provided herein or therein. Each Lender's ability to assign its rights and delegate its obligations hereunder is governed by Section 10.1. Except by operation of law as a result of a merger permitted hereby, no Loan Party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder or under any of the other Loan Documents without the prior express written consent of the Administrative Agent and Requisite Lenders. Any such purported assignment, transfer, hypothecation or other conveyance by any Loan Party without the prior express written consent of the Administrative Agent and Requisite Lenders shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Loan Party, Administrative Agent and Lenders with respect to the transactions contemplated hereby and no Person shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Complete Agreement; Modification of Agreement.

The Loan Documents constitute the complete agreement between the parties with respect to the subject matter thereof and may not be modified, altered or amended except as set forth in Section 12.2 below. Any letter of interest, commitment letter, fee letter (other than the Fee Letter) and/or confidentiality agreement between any Loan Party and Administrative Agent or any Lender or any of their respective affiliates, predating this Agreement and relating to a financing of substantially similar form, purpose or effect shall be superseded by this Agreement.

Section 12.2 Amendments and Waivers.

(a) Except for actions expressly permitted to be taken by Administrative Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, or any consent to any departure by any Loan Party therefrom (any of the foregoing, a "Loan Modification"), shall in any event be effective unless the same shall be in writing and signed by Borrower and by Requisite Lenders, or all directly affected Lenders, as applicable. Except as set forth in clause (b) below, all such amendments, modifications, terminations or waivers requiring the consent of any Lenders shall require the written consent of Requisite Lenders.

(b) No Loan Modification shall, unless in writing and signed by Requisite Lenders and each Lender directly affected thereby, do any of the following: (i) increase the principal amount of any Lender's Commitment (which action shall be deemed to directly affect only those Lenders whose Commitments are increased); (ii) reduce the principal of, rate of interest on (other than reducing or waiving Default Interest) or Fees payable with respect to any Loan or Letter of Credit Obligations of any directly affected Lender; (iii) extend any scheduled payment date or final maturity date of the principal amount of any Loan of any directly affected Lender (it being agreed that payments pursuant to Section 2.3 are not "scheduled"); (iv) waive, forgive, defer, extend or postpone any payment of interest (other than reducing or waiving Default Interest) or Fees as to any directly affected Lender; (v) except as otherwise permitted herein or in the other Loan Documents, release any Guarantor or release (or permit the Loan Parties to sell or otherwise dispose of) all or substantially all of the Collateral (which actions described in this clause (v) shall be deemed to directly affect all Lenders); (vi) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which shall be required for Lenders or any of them to take any action hereunder; (vii) amend or waive this Section 12.2 or the definitions of the term "Requisite Lenders" insofar as such definitions affect the substance of this Section 12.2, or (viii) delay or waive the making of any prepayment required by Section 2.3(b) (which actions described in this clause (viii) shall be deemed to directly effect all Lenders); provided that this clause (viii) shall only be in effect at such times as there are

fewer than four (4) unaffiliated Lenders. Furthermore, no Loan Modification directly affecting the rights or duties of Administrative Agent under this Agreement or any other Loan Document shall be effective unless in writing and signed by Administrative Agent, in addition to Lenders required hereinabove to take such action. No Loan Modification shall (x) adversely and directly affect the payment priority of an L/C Issuer or an Eligible Hedge Counterparty under the Loan Documents without the prior written concurrence of such Person or, in the case of a Hedge Agreement provided or arranged by GE Capital or an affiliate of GE Capital, GE Capital, or (y) result in Obligations owing to any Eligible Hedge Counterparty in its capacity as such becoming unsecured (other than releases of Liens affecting all Lenders and otherwise permitted in accordance with the terms hereof) without the prior written consent of such Eligible Hedge Counterparty or, in the case of a Hedge Agreement provided or arranged by GE Capital or an affiliate of GE Capital, GE Capital. Notwithstanding the foregoing provisions of this Section 12.2, any Loan Modification to cure an obvious ambiguity, omission, defect or inconsistency in any Loan Document shall only require the consent of Administrative Agent and Borrower. Each Loan Modification shall be effective only in the specific instance and for the specific purpose for which it was given. No Loan Modification shall be required for Administrative Agent to take additional Collateral pursuant to any Loan Document. No notice to or demand on any Loan Party in any case shall entitle such Loan Party or any other Loan Party to any other or further notice or demand in similar or other circumstances. Any Loan Modification effected in accordance with this Section 12.2 shall be binding upon each current and future Lender.

(c) Notwithstanding anything herein to the contrary, Borrower and Administrative Agent may, without the input or consent of any other Lender or L/C Issuer, other than any Incremental Term Loan Lender making the applicable Incremental Term Loan, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate in the opinion of the Administrative Agent to effect the provisions of Section 2.1(d) in accordance with Section 2.1(d).

Section 12.3 Fees and Expenses.

Subject to limitation set forth in the Fee Letter, Borrower shall reimburse Administrative Agent for all reasonable and documented out-of-pocket expenses incurred in connection with diligence, syndication of the Loans, the negotiation and preparation of the Loan Documents and the perfecting and maintaining of Liens (including the reasonable fees and expenses of all of its counsel, advisors, agents, representatives, consultants, accountants and auditors retained in connection with the Loan Documents and advice in connection therewith). In furtherance of the foregoing and without limiting the foregoing, subject to limitation set forth in the Fee Letter, Borrower shall reimburse (i) Administrative Agent for all reasonable and documented fees, costs and expenses, including the reasonable and documented fees, costs and expenses of counsel and other advisors and professionals (including counsel, advisors, agents, representatives, consultants (environmental, management and otherwise), auditors, Rating Agencies and appraisers) with respect to each of the items enumerated in each of the clauses set forth below and (ii) Lenders for all reasonable and documented fees, costs and expenses of counsel solely with respect to, and

subject to the limitations set forth in, the items enumerated in clauses (c), (d) and (e) set forth below (it being agreed that the reimbursement rights of Administrative Agent or any Lender with respect to any matter described in clause (c) below shall be subject to the absence of such Person's gross negligence or willful misconduct with respect to the underlying litigation, contest, dispute, suit, proceeding or action):

(a) the forwarding to Borrower or any other Person on behalf of Borrower by Administrative Agent of the proceeds of the Loans including standard wire transfer fees;

(b) administration of the Loans, the Loan Documents and the Collateral, including any amendment, modification or waiver of, or consent with respect to, any of the Loan Documents or Related Transactions Documents (whether consummated or not) or advice in connection with the administration of the Loans made pursuant hereto or its rights hereunder or thereunder;

(c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Administrative Agent, any Lender, Borrower or any other Person) relating to the Collateral, any of the Loan Documents or any other agreement to be executed or delivered in connection therewith or herewith, whether as party, witness, or otherwise, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against Borrower or any other Person that may be obligated to Administrative Agent by virtue of the Loan Documents; including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Loans during the pendency of one or more Events of Default; provided that in the case of reimbursement of counsel for Lenders other than Administrative Agent, such reimbursement shall be limited to one counsel for all such Lenders;

(d) any attempt to collect the Obligations or collect upon the Collateral or to enforce any remedies of Administrative Agent or any Lender against any or all of the Loan Parties or any other Person that may be obligated to Administrative Agent or any Lender by virtue of any of the Loan Documents; including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Loans during the pendency of one or more Events of Default; provided that in the case of reimbursement of counsel for Lenders other than Administrative Agent, such reimbursement shall be limited to one counsel for all such Lenders;

(e) any work-out or restructuring of the Loans during the pendency of one or more Events of Default;provided that in the case of reimbursement of counsel for Lenders other than Administrative Agent, such reimbursement shall be limited to one counsel for all such Lenders; and

(f) efforts to (i) monitor or rate the Loans or any of the other Obligations (subject to the limitations set forth inSection 6.9), (ii) evaluate, observe or assess any of the Loan Parties or their respective affairs, and (iii) verify, protect, evaluate, audit, inspect, review, assess, appraise, collect, sell, liquidate or otherwise dispose of (or do any other thing provided for in, but subject to the limitations set forth in, Section 6.9) any of the Collateral.

All expenses, costs, charges and other fees owing pursuant to this Section 12.3 shall be payable, on demand by Administrative Agent (including a reasonably detailed statement), by Borrower to Administrative Agent. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, environmental advisors, appraisers, investment bankers, management and other consultants (including crisis management and special restructuring consultants) and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or telecopy charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services.

Section 12.4 Indemnity.

Each Loan Party that is a signatory hereto shall jointly and severally indemnify and hold harmless each of Administrative Agent, L/C Issuer, Lenders and their respective Affiliates, and each such Person's respective officers, directors, employees, attorneys, agents, consultants, auditors, accountants, appraisers and representatives (each, an "Indemnified Person"), from and against any and all suits, actions, proceedings, claims, judgments, damages, penalties, losses, liabilities, costs and reasonable expenses (including reasonable attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) of any kind or nature whatsoever and whether incurred in connection with any investigative, administrative or judicial proceeding (in each case whether commenced or threatened) and the settlement thereof or otherwise which may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents and the administration of such credit, and in connection with or arising out of the transactions contemplated hereunder and thereunder and any actions or failures to act in connection therewith, including any and all Environmental Liabilities, liabilities under securities laws and legal costs and reasonable expenses arising out of or incurred in connection with disputes between or among any parties to any of the Loan Documents (collectively, "Indemnified Liabilities"); provided, that no such Loan Party shall be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense (a) results from that Indemnified Person's gross negligence or willful misconduct or (b) relates to disputes arising solely among Indemnified Persons and that do not involve any act or omission by Borrower or its Subsidiaries or its Controlled Affiliates, in each case as finally determined by a court of competent jurisdiction. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY, MULTIPLE OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

Section 12.5 No Waiver.

Administrative Agent's or any Lender's failure, at any time or times, to require strict performance by the Loan Parties of any provision of this Agreement and any of the other Loan Documents shall not waive, affect or diminish any right of Administrative Agent or such Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Subject to the provisions of Section 12.2, none of the undertakings, agreements, warranties, covenants and representations of any Loan Party contained in this Agreement or any of the other Loan Documents and no Default or Event of Default by any Loan Party shall be deemed to have been suspended or waived by Administrative Agent or any Lender, unless such waiver or suspension is by an instrument in writing signed by an officer of or other authorized employee of the Administrative Agent and the applicable required Lenders, and directed to Borrower specifying such suspension or waiver.

Section 12.6 Remedies.

Administrative Agent's and each Lender's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies which Administrative Agent or any Lender may have under any other agreement, including the other Loan Documents, by operation of law or otherwise. Recourse to the Collateral shall not be required.

Section 12.7 Severability.

Wherever possible, each provision of this Agreement and the other Loan Documents shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 12.8 Conflict of Terms.

Except as otherwise provided in this Agreement or any of the other Loan Documents by specific reference to the applicable provisions of this Agreement, if any provision contained in this Agreement is in conflict with, or inconsistent with, any provision in any of the other Loan Documents, the provision contained in this Agreement shall govern and control.

Section 12.9 GOVERNING LAW.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THE LOAN DOCUMENTS AND THE OBLIGATIONS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH LOAN PARTY HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE LOAN PARTIES, ADMINISTRATIVE AGENT AND THE LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, PROVIDED THAT THE ADMINISTRATIVE AGENT, THE LENDERS AND THE LOAN PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK COUNTY, CITY OF NEW YORK, NEW YORK AND PROVIDED, FURTHER NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE EITHER THE ADMINISTRATIVE AGENT OR ANY LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE ADMINISTRATIVE AGENT. ADMINISTRATIVE AGENT, EACH LENDER AND EACH LOAN PARTY EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND ADMINISTRATIVE AGENT, EACH LENDER AND EACH LOAN PARTY HEREBY WAIVE ANY OBJECTION WHICH SUCH PERSON MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR *FORUM NON CONVENIENS* AND HEREBY CONSENT TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. ADMINISTRATIVE AGENT, EACH LENDER AND EACH LOAN PARTY HEREBY WAIVE PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PERSON AT THE ADDRESS SET FORTH ON THE APPLICABLE SIGNATURE PAGE ATTACHED HERETO OR, IN THE CASE OF A LENDER BECOMING A PARTY HERETO AFTER THE DATE HEREOF, THE APPLICABLE ASSIGNMENT AND ACCEPTANCE AGREEMENT, OR TO SUCH OTHER ADDRESS AS MAY BE SUBSTITUTED BY NOTICE GIVEN AS PROVIDED HEREIN, AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PERSON'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAILS, PROPER POSTAGE PREPAID.

Section 12.10 Notices.

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the United States Mails, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile transmission confirmed as successfully sent by the sender's telecopy or facsimile machine), (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid, (d) when delivered, if hand-delivered by messenger, or (e) with respect to email and other electronic transmissions, on the later of the date of posting and the date access to such posting is given to the recipient thereof in accordance with the standard procedures applicable to such E-System, if posted to Intralinks® or another E-System designated by Administrative Agent, in an appropriate location by uploading such notice, demand, request, approval or other declaration, or other communication, all of which (except in the case of clause (e) above) shall be addressed to the party to be notified and sent to the address or facsimile number indicated on the applicable signature page attached hereto or to such other address (or facsimile number) as may be substituted by notice given as provided herein; provided (i) in the case of the Administrative Agent, with a copy sent via email to loan_admin@golubcapital.com and portfoliomanager@golubcapital.com, and (ii) all such notices, demands, requests, consents, approvals, declarations or other communications to be delivered to a Loan Party shall be delivered to Borrower in compliance with the foregoing procedures. Additionally, a copy of all financial reporting deliveries required pursuant to Article V hereof shall be sent via email to portfoliomanager@golubcapital.com (to the extent reasonably possible). The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Borrower or Administrative Agent) designated on the applicable signature attached hereto to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding anything herein to the contrary, notices and communications sent to Administrative Agent pursuant to Articles II, III, V and Sections 10.2 - 10.7, respectively, shall not be effective until actually received by Administrative Agent. The method of communicating set forth in clause (e) above shall only be available for the sending of communications by Administrative Agent to Lenders.

Section 12.11 Section Titles.

The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

Section 12.12 Counterparts.

This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

Section 12.13 WAIVER OF JURY TRIAL.

BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ADMINISTRATIVE AGENT, LENDERS AND ANY LOAN PARTY ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.

Section 12.14 Reinstatement.

This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Borrower for liquidation or reorganization, should Borrower become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Borrower's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 12.15 Advice of Counsel.

Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of Sections 12.9 and 12.13, with its counsel.

Section 12.16 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 12.17 Treatment of Certain Information; Confidentiality.

Each of Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and the L/C Issuer and to its Affiliates' and L/C Issuer's respective partners, investors, lenders, directors, officers, employees, agents, advisors, attorneys and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners) and any Rating Agency, (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process or demanded by any Governmental Authority (including, without limitation, in connection with filings, submissions and any other similar documentation required or customary to comply with Securities and Exchange Commission filing requirements), (d) in connection with the exercise of, or preparing to exercise, any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of, or preparing to enforce, rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section and of which Borrower is an express beneficiary, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower, (f) with the consent of Borrower, (g) to the extent such Information becomes publicly available or becomes available to Administrative Agent, any Lender or L/C Issuer, or any of their respective Affiliates on a non-confidential basis from a source other than Borrower, in each case, other than as a result of a breach of this Section, (h) to the extent necessary or customary for inclusion in league table measurements or in any tombstone or other advertising or marketing materials, (i) to the National Association of Insurance Commissioners or any similar organization, any examiner or any Rating Agency or (j) otherwise to the extent consisting of general portfolio information that does not identify borrowers.

For purposes of this Section, "Information" means all information received from the Loan Parties or any Subsidiary relating to the Loan Parties, any Subsidiary or any of their respective businesses, other than any such information that is available to Administrative Agent, any Lender or L/C Issuer on a non-confidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

ARTICLE XIII

CROSS-GUARANTY

Section 13.1 Cross-Guaranty.

Each Loan Party hereby agrees that such Loan Party is jointly and severally liable for, and hereby absolutely and unconditionally guarantees to Administrative Agent, Lenders and each other Secured Party and their respective successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to Administrative Agent, Lenders and each other Secured Party by each other Loan Party. Each Loan Party agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, and that its obligations under this Article XIII shall be absolute and unconditional, irrespective of, and unaffected by,

(a) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any other Loan Document, any Hedge Agreement or any other agreement, document or instrument to which any Loan Party is or may become a party;

(b) the absence of any action to enforce this Agreement (including this Article XIII) or any other Loan Document, any Hedge Agreement or the waiver or consent by Administrative Agent, Lenders and each other Secured Party with respect to any of the provisions thereof;

(c) the existence, value or condition of, or failure to perfect its Lien against, any security for the Obligations or any action, or the absence of any action, by Administrative Agent, Lenders and each other Secured Party in respect thereof (including the release of any such security);

(d) the insolvency of any Loan Party; or

(e) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor (other than an express written release provided in accordance with the terms hereof),

it being agreed by each Loan Party that (absent an express written release provided in accordance with the terms hereof) its obligations under this Article XIII shall not be discharged until the payment and performance, in full, in cash of the Obligations has occurred and all Commitments have been terminated. Each Loan Party shall be regarded, and shall be in the same position, as principal debtor with respect to the Obligations guaranteed hereunder.

Section 13.2 Waivers by Loan Parties.

Each Loan Party expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel Administrative Agent, Lenders or each other Secured Party to marshal assets or to proceed in respect of the Obligations guaranteed hereunder against any other Loan Party, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Loan Party. It is agreed among each Loan Party, Administrative Agent, Lenders and each other Secured Party that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents, any Hedge Agreements and that, but for the provisions of this Article XIII and such waivers, Administrative Agent and Lenders would decline to enter into this Agreement.

Section 13.3 Benefit of Guaranty.

Each Loan Party agrees that the provisions of this Article XIII are for the benefit of Administrative Agent, Lenders and each other Secured Party and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between Borrower, on the one hand, and Administrative Agent, Lenders and each other Secured Party, on the other hand, the obligations of such other Loan Party under the Loan Documents and the Hedge Agreements.

Section 13.4 Subordination of Subrogation, Etc.

Notwithstanding anything to the contrary in this Agreement or in any other Loan Document or any Hedge Agreement, and except as set forth in Section 13.7, each Loan Party hereby expressly and irrevocably subordinates to the prior payment, in cash, of the Obligations (other than contingent indemnity obligations for which no claim is outstanding) any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor until the Termination Date has occurred. Each Loan Party acknowledges and agrees that this subordination is intended to benefit Administrative Agent, Lenders and each other Secured Party and shall not limit or otherwise affect such Loan Party's liability hereunder or the enforceability of this Article XIII, and that Administrative Agent, Lenders and each other Secured Party and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 13.4.

Section 13.5 Election of Remedies.

If Administrative Agent or any Lender may, under applicable law, proceed to realize its benefits under any of the Loan Documents or the Hedge Agreements giving Administrative Agent or such Lender a Lien upon any Collateral, whether owned by any Loan Party or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, Administrative Agent or any Lender may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Article XIII. If, in the exercise of any of its rights and remedies, Administrative Agent or any Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Loan Party or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Loan Party hereby consents to such action by Administrative Agent or such Lender and waives any claim based upon such action, even if such action by Administrative Agent or such Lender shall result in a full or partial loss of any rights of subrogation which each Loan Party might otherwise have had but for such action by Administrative Agent or such Lender. Any election of remedies which results in the denial or impairment of the right of Administrative Agent or any Lender to seek a deficiency judgment against any Loan Party shall not impair any other Loan Party's obligation to pay the full amount of the Obligations. In the event Administrative Agent or any Lender shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or the Loan Documents, Administrative Agent (either directly or through one or more acquisition vehicles) or such Lender may offset the Obligations against the purchase price of such bid in lieu of accepting cash or other non-cash consideration in connection with such sale or other disposition. The amount of the successful bid at any such sale, whether Administrative Agent, any Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair and reasonably equivalent value of the Collateral and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Article XIII, notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which Administrative Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

Section 13.6 Limitation.

Notwithstanding any provision herein contained to the contrary, each Loan Party's liability under this Article XIII (which liability is in any event in addition to amounts for which such Loan Party is primarily liable under Section 2) shall be limited to an amount not to exceed as of any date of determination the greater of:

(a) the net amount of all Loans (plus all other Obligations owing in connection therewith) advanced to any other Loan Party under this Agreement and then re-loaned or otherwise transferred to, or for the benefit of, such Loan Party; and

(b) the amount which could be claimed by Administrative Agent, Lenders and each other Secured Party from such Loan Party under this Article XIII without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law after taking into account, among other things, such Loan Party's right of contribution and indemnification from each other Loan Party under Section 13.7.

The provisions of this Section 13.6 shall be implemented automatically without the need for any Loan Modification.

Section 13.7 Contribution with Respect to Guaranty Obligations.

(a) To the extent that any Loan Party shall make a payment under this Article XIII of all or any of the Obligations (other than Loans made to that Loan Party for which it is primarily liable) (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Loan Party, exceeds the amount which such Loan Party would otherwise have paid if each Loan Party had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Loan Party's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Loan Parties as determined immediately prior to the making of such Guarantor Payment, then, following the occurrence of the Termination Date, such Loan Party shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Loan Party for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of any Loan Parties shall be equal to the maximum amount of the claim which could then be recovered from such Loan Parties under this Article XIII without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(c) This Section 13.7 is intended only to define the relative rights of Loan Parties and nothing set forth in this Section 13.7 is intended to or shall impair the obligations of Loan Parties, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section 13.1. Nothing contained in this Section 13.7 shall limit the liability of any Loan Party to pay the Loans made directly or indirectly to that Loan Party and accrued interest, Fees and expenses with respect thereto for which such Loan Party shall be primarily liable.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Loan Party to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Loan Parties against other Loan Parties under this Section 13.7 shall be exercisable upon the full and indefeasible payment of the Obligations (other than contingent Obligations in respect of which no claim has been made) and the termination of the Commitments.

Section 13.8 Liability Cumulative.

The liability of Loan Parties under this Article XIII is in addition to and shall be cumulative with all liabilities of each Loan Party to Administrative Agent, Lenders and each other Secured Party under this Agreement and the other Loan Documents and the Hedge Agreements to which such Loan Party is a party or in respect of any Obligations or obligation of any other Loan Party, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

[*rest of page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

CHUY'S OPCO, INC.,
a Delaware corporation, as Borrower

By: /s/ Sharon A. Russell
Name: Sharon A. Russell
Title: Secretary, Treasurer and Chief Financial Officer

Borrower's Account:

Wells Fargo Bank
Payable To: Chuy's Opco, Inc.
ABA: 121000248
Account Number: 4123112666
Account Name: Chuy's Opco, Inc. – Main Operating Account

Borrower's Notice Address:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, TX 78704
Fax: 512-473-8684
Attn: Sharon Russell

With a copy to:

Goode Partners LLC
767 Third Avenue, 22nd Floor
New York, NY 10017
Fax: 212-317-2827
Attn: Jose Ferreira, Jr.

and

Jones Day
222 East 41st St.
New York, NY 10017
Fax: 212-755 -7306
Attn: Charles N. Bensinger III

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

GUARANTORS:

CHUY'S HOLDINGS, INC.,
a Delaware corporation, as a Guarantor

By: /s/ David J. Oddi
Name: David J. Oddi
Title: President and Secretary

CHUY'S SERVICES, LLC,
a Delaware limited liability company, as a Guarantor

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Manager

CHUY'S HOLDCO, LLC,
a Texas limited liability company, as a Guarantor

By: /s/ Steven J. Hislop
Name: Steven J. Hislop
Title: Manager

CHUY'S BEVCO, LLC,
a Texas limited liability company, as a Guarantor

By: /s/ Steven J. Hislop
Name: Steven J. Hislop
Title: Manager

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

ADMINISTRATIVE AGENT:

GCI CAPITAL MARKETS LLC,
as Administrative Agent

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Chief Investment Officer

Notice Address for Legal:

Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

In each case, with copies (which shall not constitute notice) to:

Goldberg Kohn Ltd.
55 East Monroe, Suite 3300
Chicago, Illinois 60603
Attn: David M. Mason, Esq.
Facsimile No.: (312) 863-7415
E-Mail: david.mason@goldbergkohn.com

Notice for all Financial Reporting Deliveries:

Golub Capital Incorporated (address above)

and

Attn: Portfolio Manager – Chuy's
E-Mail: portfoliomanager@golubcapital.com

Notices Regarding Borrowings, Notice of Advance,
Notices of LIBOR Continuation/Conversions:

Attn: Loan Administrator – Chuy's
E-Mail: loan_administrator@golubcapital.com

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

LENDERS:

GCI CAPITAL MARKETS LLC,
as a Lender

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Chief Investment Officer

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$178,000
Term A Loan Commitment:	$5,277,000
Delayed Draw Term B Loan Commitment:	$1,354,000

GC FINANCE OPERATIONS LLC,
as a Lender

By: GC Advisors LLC, its Manager

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Chief Investment Officer

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$490,000
Term A Loan Commitment:	$0
Delayed Draw Term B Loan Commitment:	$3,711,000

GOLUB CAPITAL BDC, INC.,
as a Lender

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Authorized Signatory

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$292,000
Term A Loan Commitment:	$0
Delayed Draw Term B Loan Commitment:	$0

GOLUB CAPITAL PEARLS DIRECT LENDING PROGRAM, L.P.,
as a Lender

By: GC Advisors LLC, its Manager

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Chief Investment Officer

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$115,000
Term A Loan Commitment:	$3,387,000
Delayed Draw Term B Loan Commitment:	$869,000

GC FINANCE 2010 LLC,
as a Lender

By: /s/ Heather Jousma
Name: Heather Jousma
Title: Authorized Signatory

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$0
Term A Loan Commitment:	$14,472,000
Delayed Draw Term B Loan Commitment:	$0

GC SBIC IV, L.P.,
as a Lender

By: GC SBIC IV – GP, LLC, its General Partner

By: /s/ Gregory W. Cashman
Name: Gregory W. Cashman
Title: Manager

Notice Address:

c/o Golub Capital Incorporated
551 Madison Avenue, 6th Floor
New York, New York 10022
Attn: Greg Cashman
Facsimile No.: (212) 750-5505

Such Lender's Commitments:

Revolving Loan Commitment:	$0
Term A Loan Commitment:	$8,639,000
Delayed Draw Term B Loan Commitment:	$2,216,000

GE CAPITAL FINANCIAL INC.,
as a Lender

By: /s/ Daniel Newes
Printed Name: Daniel Newes
Title: Authorized Signatory

Notice Address:

GE Capital Financial Inc.
c/o GE Capital Franchise Finance
8377 East Hartford Drive
Suite 200
Scottsdale, Arizona 85255
Attention: Collateral Management

With a copy to:

GE Capital Financial Inc.
6510 Milrock Drive, Suite 200
Salt Lake City, UT 84121
Attention: Chief Financial Officer

Such Lender's Commitments:

Revolving Loan Commitment:	$3,000,000
Term A Loan Commitment:	$11,000,000
Delayed Draw Term B Loan Commitment:	$0

THL CREDIT, INC.,
as a Lender

By: /s/ Sam Tillinghast
Name: Sam Tillinghast
Title: Co-President

Notice Address:

THL Credit, Inc.
100 Federal St., 31st Floor
Boston, MA 02110
Attn: Chief Operating Officer
Facsimile No.: (877) 494-9096
E-Mail: tolson@thlcredit.com

Such Lender's Commitments:

Revolving Loan Commitment:	$925,000
Term A Loan Commitment:	$7,508,333
Delayed Draw Term B Loan Commitment:	$1,850,000

THL CREDIT GREENWAY FUND LLC,
as a Lender

By: THL Credit, Inc., its Manager

By: /s/ Christopher J. Flynn
Name: Christopher J. Flynn
Title: Managing Director

Notice Address:

THL Credit, Inc.
100 Federal St., 31st Floor
Boston, MA 02110
Attn: Chief Operating Officer
Facsimile No.: (877) 494-9096
E-Mail: tolson@thlcredit.com

Such Lender's Commitments:

Revolving Loan Commitment:	$0
Term A Loan Commitment:	$2,216,667
Delayed Draw Term B Loan Commitment:	$0

Schedule 1.1 - Definitions

As used in the Agreement (as defined below), the following terms shall have the following definitions (capitalized terms used but not defined herein shall have the meanings ascribed to such terms elsewhere in the Agreement), and all section references in the following definitions shall refer to Sections of the Agreement:

"Accounting Changes" shall have the meaning assigned to it in Section 1.2(c).

"Acceleration Event" means the occurrence of an Event of Default (i) in respect of which all or any portion of the Obligations have become or been declared to be immediately due and payable pursuant to Section 9.2, (ii) in respect of which all or any portion of the Revolving Loan Commitment has been suspended or terminated pursuant to Section 9.2 and/or (iii) pursuant to either of Section 9.1(h) and/or Section 9.1(i).

"Accounts" shall mean all "accounts," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries and, in any event, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments) now owned or hereafter received or acquired by or belonging or owing to any Loan Party or any of its Subsidiaries, whether arising out of goods sold or services rendered by it or from any other transaction (including any such obligations which may be characterized as an account or contract right under the Code), (b) all of each Loan Party's and its Subsidiaries' rights in, to and under all purchase orders or receipts now owned or hereafter acquired by it for goods or services, (c) all of each Loan Party's and its Subsidiaries' rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all monies due or to become due to any Loan Party or any of its Subsidiaries, under all purchase orders and contracts for the sale of goods or the performance of services or both by such Loan Party or such Subsidiary or in connection with any other transaction (whether or not yet earned by performance on the part of such Loan Party or such Subsidiary) now or hereafter in existence, including the right to receive the proceeds of said purchase orders and contracts, (e) all health-care insurance receivables and (f) all collateral security and guarantees of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing.

"Administrative Agent" shall mean GC-Cap, as administrative agent for the Lenders, or such administrative agent's successor appointed pursuant to Section 10.7.

"Administrative Agent's Account" shall mean the account of the Administrative Agent set forth on Annex A or such other account designated by the Administrative Agent from time to time in writing to Borrower and Lenders.

"Administrative Questionnaire" shall mean an Administrative Questionnaire in form that may be supplied from time to time by Administrative Agent.

"Advance" shall have the meaning assigned to it in Section 2.1(a)(i).

"Affected Foreign Subsidiary" shall mean any Foreign Subsidiary to the extent such Foreign Subsidiary acting as a Guarantor would cause a Deemed Dividend Problem.

"Affected Lender" shall have the meaning assigned to it in Section 10.9(f).

"Affiliate" shall mean, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, ten percent (10%) or more of the Stock having ordinary voting power in the election of directors of such Persons, and (b) each Person that controls, is controlled by or is under common control with such Person. For the purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise; provided, however, that with respect to the Loan Parties and their Subsidiaries the term "Affiliate" shall specifically exclude the Administrative Agent and each Lender.

"Agreement" shall mean this Credit Agreement, as amended, restated, supplemented or modified from time to time.

"Allocable Amounts" shall have the meaning assigned to it in Section 13.7.

"Anti-Terrorism Order" shall mean Executive Order No. 13,224 as of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49,079 (2001), as amended.

"Appendices" shall have the meaning assigned to it in the recitals to this Agreement.

"Approved Fund" shall mean any Fund that is administered, managed, advised or underwritten by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Acceptance Agreement" shall mean an assignment and acceptance agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.1), and accepted by Administrative Agent, in form and substance substantially similar to Exhibit 10.1 attached hereto or such other form as shall be approved by Administrative Agent.

"Blocked Accounts" shall have the meaning assigned to it in the Security Agreement.

"Borrower" shall have the meaning assigned to it in the recitals to this Agreement.

"Borrowing Availability" shall have the meaning assigned to it in Section 2.1(a)(i).

"Business Day" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York and in reference to LIBOR Loans shall mean any such day that is also a LIBOR Business Day.

"Capital Expenditures" shall mean, with respect to any Person, all expenditures by such Person during any measuring period that are required to be capitalized under GAAP; provided, however, that the amount thereof for any fiscal period shall be reduced by the amount of offsetting tenant improvement allowances and the like received (or expected to be received within six months of the date of opening of the applicable location) in respect of such capital expenditures. For purposes of calculating compliance with the financial covenants set forth in Section 7.10, Capital Expenditures shall not include expenditures described in the preceding sentence that are made by reinvestment of asset disposition, insurance casualty or Condemnation Event proceeds in accordance with Section 2.3(b)(ii).

"Capital Lease" shall mean, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person subject, for the avoidance of doubt, to the proviso to the definition of Accounting Change.

"Capital Lease Obligation" shall mean, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease.

"Cash Collateral Account" shall have the meaning assigned to it in Section 2.2(c).

"Cash Equivalents" shall mean (a) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than twelve (12) months from the date of acquisition ("Government Obligations"), (b) Dollar denominated (or foreign currency fully hedged) time deposits, certificates of deposit, Eurodollar time deposits and Eurodollar certificates of deposit of (i) any domestic commercial bank of recognized standing having capital and surplus in excess of $300,000,000 or (ii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than three hundred sixty-four (364) days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by any domestic corporation rated A-1 (or equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six (6) months of the date of

acquisition, (d) repurchase agreements with a bank or trust company (including any Lender) or a recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States of America, (e) obligations of any state of the United States of America or any political subdivision thereof for the payment of the principal and redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment, and (f) auction preferred stock rated in the highest short-term credit rating category by S&P or Moody's.

"Change of Control" shall mean the occurrence of any one of any of the following events: (i) prior to an initial public offering of Stock of Holdings pursuant to an effective registration statement under the Securities Act of 1933, (A) the Sponsor and its Controlled Affiliates collectively cease to own and control, directly or indirectly, at least ninety percent (90%) of the outstanding Stock of Holdings owned by Sponsor and its Controlled Affiliates on the Closing Date or a majority of the voting Stock of Holdings, (B) the Sponsor and its Controlled Affiliates collectively cease to possess the power to direct or cause the direction of the management or policies of Borrower (directly or though their ownership of Stock issued by Holdings), or (C) in one or more transactions, any Person (or such Person and its Affiliates) other than Sponsor and its Controlled Affiliates acquires the ability to elect a majority of the Governing Body of Holdings, (ii) after an initial public offering of Stock of Holdings pursuant to an effective registration statement under the Securities Act of 1933, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof), other than one or more Permitted Holders, shall become, or obtain rights (whether by means of warrants, options or the like) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the date hereof), directly or indirectly, of more than 35% of the outstanding common stock of Holdings, (iii) the board of directors of Holdings shall cease to (A) consist of a majority of Continuing Directors or (B) contain at least one director who is an employee of the Sponsor, (iv) Holdings fails to own at any time one hundred percent (100%) of the Stock of Borrower, or (v) except in connection with a transaction permitted under Section 7.1, Borrower fails to own at any time one hundred percent (100%) of the Stock of any of its Subsidiaries.

"Charges" shall mean all federal, state, county, city, municipal, local, foreign or other governmental taxes (including taxes owed to the PBGC at the time due and payable), levies, assessments, charges, liens, claims or encumbrances upon or relating to (a) the Collateral, (b) the Obligations, (c) the employees, payroll, income or gross receipts of any Loan Party or any of its Subsidiaries, (d) the ownership or use of any properties or other assets of or by any Loan Party or any of its Subsidiaries, or (e) any other aspect of the business of any Loan Party or any of its Subsidiaries.

"Chattel Paper" shall mean any "chattel paper," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located.

"Closing Date" shall mean May 24, 2011.

"Closing Date Committed Loans" shall mean the Advances, the Term A Loan, the Delayed Draw Term B Loan and, as the context may require, any portion of any or all of the foregoing.

"Code" shall mean the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Administrative Agent's or any Lender's security interest in any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"Collateral" shall mean the property covered by the Security Agreement and the other Collateral Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired, subject to a security interest or Lien to secure any or all of the Obligations.

"Collateral Documents" shall mean the Security Agreement, the Pledge Agreement, the Mortgages, if any, and all other agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of, the Obligations.

"Collateral Reports" shall mean the reports with respect to the Collateral referred to in Section 5.2.

"Commitments" shall mean (a) as to any Lender, the aggregate of such Lender's Revolving Loan Commitment, Term A Loan Commitment and Delayed Draw Term B Loan Commitment as set forth on its signature page to this Agreement (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate of all Lenders' Revolving Loan Commitments, Term A Loan Commitments and Delayed Draw Term B Loan Commitments which aggregate commitment shall be Sixty Seven Million Five Hundred Thousand and No/100 Dollars ($67,500,000.00) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with this Agreement.

"Compliance Certificate" shall have the meaning assigned to it in Section 5.1(b).

"Condemnation Event" shall mean any actual condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of any property or assets of a Person, or confiscation of such property or assets or the requisition of the use of such property or assets.

"Continuing Directors" shall mean the directors of Holdings on the Closing Date, and each other director of Holdings, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by more than 50% of the then Continuing Directors.

"Contracts" shall mean all "contracts," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, in any event, including all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any Loan Party or any Subsidiary of a Loan Party may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

"Control Letter" means a letter agreement between Administrative Agent and (i) the issuer of uncertificated securities with respect to uncertificated securities in the name of any Loan Party, (ii) a securities intermediary with respect to securities, whether certificated or uncertificated, securities entitlements and other financial assets held in a securities account in the name of any Loan Party, (iii) a futures commission merchant or clearing house with respect to commodity accounts and commodity contracts held by any Loan Party, whereby, among other things, the issuer, securities intermediary or futures commission merchant disclaims or subordinates (other than with respect to its customary fees and charges and other items approved by Administrative Agent in writing) any security interest in the applicable financial assets, acknowledges the priority Lien of Administrative Agent, on behalf of itself and the Secured Parties, on such financial assets, and agrees, upon receipt of notice from Administrative Agent, to follow the instructions or entitlement orders of Administrative Agent without further consent by the affected Loan Party.

"Controlled Affiliate" shall mean, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, fifty percent (50%) or more of the Stock having ordinary voting power in the election of directors of such Persons and (b) each Person that controls, is controlled by or is under common control with such Person. For the purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Copyright License" shall mean any and all rights now owned or hereafter acquired by any Loan Party or any of its Subsidiaries under any written agreement granting any right to use any Copyright or Copyright registration (excluding commercially available "off the shelf" software or the equivalent thereof, provided, that, it is agreed and understood that such software, if any, shall constitute Collateral subject to the last paragraph of Section 2.1(A) of the Security Agreement).

"Copyrights" shall mean all of the following now owned or hereafter acquired by any Loan Party or any of its Subsidiaries: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), in both published and unpublished works,

now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

"Deemed Dividend Problem" shall mean, with respect to any Foreign Subsidiary, such Foreign Subsidiary's current or accumulated and undistributed earnings and profits being deemed to be repatriated to Borrower or the applicable parent Domestic Subsidiary under Section 956 of the IRC and the effect of such repatriation causing material adverse tax consequences to Borrower, such parent Domestic Subsidiary or any member of the affiliated group within the meaning of Section 1504(a) of the IRC in which Borrower is a part.

"Default" shall mean any event which, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

"Defaulting Lender" shall mean any Lender (a) that has failed to fund any portion of its Loans or participations in Letters of Credit, or has otherwise failed to make any other payments, required to be made by it under this Agreement or the other Loan Documents within two (2) Business Days after any such amounts are required to be funded or paid by it under this Agreement or the other Loan Documents (provided that such Lender shall cease to be a Defaulting Lender with respect to this clause (a) upon satisfaction in full of all outstanding funding and payment obligations of such Lender under this Agreement and the other Loan Documents), (b) that has given oral or written notice to Borrower, Administrative Agent or any Lender or has otherwise publicly announced that such Lender believes it will, or intends to, fail to fund any portion of its Loans or participations in any Letters of Credit or fail to fund or make any loans or other payments required to be made by it under this Agreement and the other Loan Documents or under any other committed loan facility (provided that such Lender shall cease to be a Defaulting Lender with respect to this clause (b) upon delivery to Administrative Agent of a written rescission of such notice or announcement), or (c) with respect to which one or more Lender-Related Distress Events has occurred with respect to such Person or any Person that directly or indirectly controls such Lender and Administrative Agent has determined that such Lender may become a Defaulting Lender. For purposes of this definition, control of a Person shall have the same meaning as in the second sentence of the definition of Affiliate.

"Default Rate" shall have the meaning assigned to it in Section 2.5(d).

"Delayed Draw Term B Loan" shall mean the term loan funded under the Delayed Draw Term B Loan Commitment pursuant to Section 2.1(c) (it being understood that such term shall refer to the aggregate Delayed Draw Term B Loan funded to Borrower when used in the context of all Delayed Draw Term B Loan Lenders collectively and a particular Delayed Draw Term B Loan Lender's portion of the aggregate Delayed Draw Term B Loan when used in the context of an individual Delayed Draw Term B Loan Lender).

"Delayed Draw Term B Loan Commitment" shall mean (a) as to any Lender, the commitment of such Lender to make its Pro Rata Share of the Delayed Draw Term B Loan as set forth on the applicable signature page to this Agreement (as adjusted to reflect any assignments or reductions or terminations thereof as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make the Delayed Draw Term B Loan, which aggregate commitment shall be Ten Million and No/100 Dollars ($10,000,000.00) on the Closing Date.

"Delayed Draw Term B Loan Commitment Termination Date" shall mean the earliest of (a) May 24, 2013, (b) the date of termination of the Delayed Draw Term B Loan Lenders' obligations to make Delayed Draw Term B Loans pursuant to Section 9.2(b), and (c) the date of the permanent reduction of the Delayed Draw Term B Loan Commitment to zero Dollars ($0), in accordance with the provisions of Section 2.3(a).

"Delayed Draw Term B Loan Index Margin" shall mean the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Delayed Draw Term B Loan, as determined by reference to Section 2.5(a).

"Delayed Draw Term B Loan Lenders" shall mean, as of any date of determination, all Lenders having a Delayed Draw Term B Loan Commitment or holding all or any portion of the outstanding Delayed Draw Term B Loan.

"Delayed Draw Term B Loan LIBOR Margin" shall mean the per annum interest rate margin from time to time in effect and payable in addition to the LIBOR Rate applicable to the Delayed Draw Term B Loan, as determined by reference to Section 2.5(a).

"Delayed Draw Term B Loan Maturity Date" shall mean May 24, 2016.

"Delayed Draw Term B Loan Note" shall mean a Delayed Draw Term B Loan Note, substantially in the form of Exhibit 2.13(b)(ii), which, after execution and delivery to the applicable Delayed Draw Term B Loan Lender, shall be in the principal amount of the Delayed Draw Term B Loan Commitment thereof (or the aggregate outstanding principal balance of the Delayed Draw Term B Loan held by such Lender) and shall represent the obligation of Borrower to pay the amount of such Delayed Draw Term B Loan Lender's Delayed Draw Term B Loan Commitment thereto (or the aggregate outstanding principal balance of the Delayed Draw Term B Loan held by such Lender) together with interest thereon as prescribed in Section 2.5.

"Delayed Draw Term B Loan Notice of Advance" shall have the meaning assigned to it in Section 2.1(c)(i)

"Delayed Draw Term B Loan Obligations" shall mean any Obligation with respect to the Delayed Draw Term B Loan (including, without limitation, the principal thereof, the interest thereon and all fees and expenses specifically related thereto).

"Disqualified Stock" shall mean any Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures or is mandatorily redeemable (other than upon a change of control), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than upon a change of control), in whole or in part, on or prior to the date that is one hundred twenty (120) days following the latest of the Revolving Loan Commitment Termination Date, the Term A Loan Maturity Date, the Delayed Draw Term B Loan Maturity Date and the maturity date with respect to the Incremental Term Loan, (b) is convertible into or exchangeable for (i) debt securities or (ii) any Stock referred to in (a) above, in each case at any time on or prior to the date that one hundred twenty (120) days following the latest of the Revolving Loan Commitment Termination Date, the Term A Loan Maturity Date, the Delayed Draw Term B Loan Maturity Date and the maturity date with respect to the Incremental Term Loan, (c) requires the payment of a dividend or distribution (other than for taxes attributable to the operations of the business) prior to the time that the Termination Date occurs, or (d) has the benefit of any covenants or agreements that restrict the payment of any of the Obligations or that are EBITDA or debt-multiple based (i.e. financial covenants).

"Dividend Recapitalization" shall mean, collectively, (i) the payment of a dividend by Borrower to Holdings for the immediate distribution by Holdings to its shareholders, (ii) the purchase and redemption of certain Stock of Holdings and/or (iii) special bonus payments to members of management of Borrower (and payment of corresponding payroll taxes triggered by the same), in each case within 45 days following the Closing Date and in an aggregate amount, for all such dividends, purchases, redemptions and payments, not greater than $20,000,000.

"Documents" shall mean any "documents," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located.

"Dollars" or "$" shall mean lawful currency of the United States of America.

"Domestic Subsidiary" means, with respect to any Person, a Subsidiary of such Person, which Subsidiary is incorporated or otherwise organized under the laws of a state of the United States of America or the District of Columbia.

"E-System" shall mean any electronic system, including Intralinks® and any other Internet or extranet-based site approved by Administrative Agent, whether such electronic system is owned, operated or hosted by the Administrative Agent, any of its Affiliates or any other Person, providing for access to data protected by passcodes or other security systems.

"EBITDA" shall be calculated as set forth on the Compliance Certificate.

"Eligible Hedge Counterparty" shall mean (a) Administrative Agent, any Affiliate of Administrative Agent, any Lender and/or any Affiliate of any Lender that (i) at any time it occupies such role or capacity (whether or not it remains in such capacity) enters into a Hedge Agreement permitted hereunder with Borrower or any Subsidiary and (ii) in the case of a Lender or an Affiliate of a Lender (other than an Affiliate of Administrative Agent), maintains a reporting system reasonably acceptable to Administrative Agent with respect to Hedge Agreement exposure and agrees with Administrative Agent to provide regular reporting to Administrative Agent in form and substance reasonably satisfactory to Administrative Agent, with respect to Hedge Agreement exposure or (b) a Person with whom Borrower or any Subsidiary has entered into a Hedge Agreement permitted hereunder provided or arranged by GE Capital or an affiliate of GE Capital, and any assignee thereof, so long as (i) at the time of entering into such Hedge Agreement, GE Capital or an affiliate of GE Capital occupies the role or capacity of a Lender or an Affiliate of a Lender (whether or not it remains in such capacity) and (ii) such Person maintains a reporting system reasonably acceptable to Administrative Agent with respect to Hedge Agreement exposure and agrees with Administrative Agent, upon Administrative Agent's request, to provide regular reporting to Administrative Agent in form and substance reasonably satisfactory to Administrative Agent with respect to Hedge Agreement exposure. In addition thereto, any Affiliate of a Lender shall, upon Administrative Agent's request, execute and deliver to Administrative Agent a letter agreement pursuant to which such Affiliate designates Administrative Agent as its agent and agrees to share, pro rata, all expenses relating to liquidation of the Collateral for the benefit of such Affiliate. With respect to any Hedge Agreement provided or arranged by GE Capital or an affiliate of GE Capital, by accepting the benefit of the Liens granted by the Loan Documents, the Eligible Hedge Counterparty shall be deemed to have designated Administrative Agent as its agent and to have agreed to share, pro rata, all expenses relating to liquidation of the Collateral for the benefit of such Eligible Hedge Counterparty.

"Environmental Laws" shall mean all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.); the Clean Air Act (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), each as from time to time amended, and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"Environmental Liabilities" shall mean, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, arising under any Environmental Laws or Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property.

"Environmental Permits" shall mean all permits, licenses, authorizations, certificates, approvals, registrations or other written documents required by any Governmental Authority under any Environmental Laws.

"Equipment" shall mean all "equipment," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located and, in any event, including all such Loan Party's and such Subsidiary's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment with software and peripheral equipment (other than software constituting part of the Accounts), and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock, physical exercise and rehabilitation equipment, gymnastic equipment, athletic training equipment and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, all whether now owned or hereafter acquired, and wherever situated, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and any regulations promulgated thereunder.

"ERISA Affiliate" shall mean, with respect to any Loan Party, any trade or business (whether or not incorporated) which, together with such Loan Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

"ERISA Event" shall mean, with respect to any Loan Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Loan Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Loan Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Loan Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within thirty (30) days; (g) any other event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 of ERISA; or (i) the loss of a Qualified Plan's qualification or tax exempt status.

"ESOP" shall mean a Plan which is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

"Event of Default" shall have the meaning assigned to it in Section 9.1.

"Excess Cash Flow" shall be calculated as set forth on Exhibit 2.3(b)(v).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Taxes" shall mean with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any Obligation of a Loan Party (a) taxes imposed on or measured by net income or any franchise (or similar tax) imposed in lieu thereof by the jurisdictions and any political subdivisions and Governmental Authorities (i) under the laws of which such recipient is organized, (ii) in which its principal office is located and (iii) in the case of a Lender, in which its applicable lending office is located; (b) any branch profits Taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which such recipient is located; (c) in the case of a Foreign Lender, any U.S. federal withholding tax (1) to the extent imposed on amounts payable to such Foreign Lender pursuant to laws, regulations or other administrative or judicial authority in effect at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding tax or (2) attributable to such Foreign Lender's failure to comply with Section 2.11(c); and (d) any United States withholding tax that would not have been applied but for the relevant Person's failure to satisfy the applicable requirements of FATCA.

"FATCA" shall mean Sections 1471 through 1474 of the Code and any regulations or official interpretations thereof.

"Federal Funds Rate" shall mean, for any day, a floating rate equal to the weighted average of the rates on overnight Federal funds transactions among members of the Federal Reserve System, published by the Federal Reserve Bank of New York on the preceding Business Day or, if no such rate is so published, the average rate per annum, as determined by Administrative Agent, quoted for overnight Federal Funds transactions last arranged prior to such day.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any successor thereto.

"Fee Letter" shall have the meaning assigned to it in Section 2.6(a).

"Fees" shall mean any and all fees payable to Administrative Agent, L/C Issuer, any Eligible Hedge Counterparty, or any Lender pursuant to this Agreement or any of the other Loan Documents.

"Financial Statements" shall mean the consolidated income statements, statements of cash flows and balance sheets of the Loan Parties and their Subsidiaries delivered in accordance with Section 4.4 and Section 5.1.

"Fiscal Month" shall mean any of the monthly accounting periods of the Loan Parties and their Subsidiaries (which shall be the same periods for all such Persons).

"Fiscal Quarter" shall mean any of the quarterly accounting periods of the Loan Parties and their Subsidiaries, ending on or about September 30, December 31, March 31 and June 30 of each year.

"Fiscal Year" shall mean any of the annual accounting periods of the Loan Parties and their Subsidiaries ending on the Sunday that is or immediately precedes December 31 of each year.

"Fixed Charge Coverage Ratio" shall be calculated as set forth on the Compliance Certificate.

"Fixtures" shall mean any "fixtures" as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries.

"Foreign Government Scheme or Arrangement" shall have the meaning assigned to it in Section 4.12(c).

"Foreign Plan" shall have the meaning assigned to it in Section 4.12(c).

"Foreign Subsidiary" means, with respect to any Person, a Subsidiary of such Person, which Subsidiary is not a Domestic Subsidiary, or any Subsidiary of such Subsidiary.

"Fund" shall mean any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect on the Closing Date, consistently applied as such term is further defined in Section 1.2(c).

"GC-Cap" shall mean GCI Capital Markets LLC, a Delaware limited liability company.

"GE Capital" shall mean General Electric Capital Corporation, a Delaware corporation.

"General Intangibles" shall mean any "general intangibles," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, and, in any event, including all right, title and interest which such Loan Party or such Subsidiary may now or hereafter have in or under any Contract, all customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Loan Party or such Subsidiary or any computer bureau or service company from time to time acting for such Loan Party or such Subsidiary.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Governing Body" shall mean the board of directors, board of managers, board of representatives, board of advisors or similar governing body of any Loan Party or any of its Subsidiaries.

"Guaranteed Indebtedness" shall mean, as to any Person, any obligation of such Person guaranteeing any indebtedness, lease, dividend, or other obligation ("primary obligations") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such Person (a) to purchase or repurchase any such primary obligation, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) to indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is made and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness; or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof; provided that if such obligation is limited in recourse against a specific asset, the amount of such Guaranteed Indebtedness shall be calculated as the lesser of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed or supported and the fair market value of such asset.

"Guarantors" shall mean Holdings, each Subsidiary of Holdings (other than Borrower) signatory to the Agreement under the heading "Guarantor" on the signature pages thereto and each other Subsidiary of Holdings (other than Borrower) which executes this Agreement as a guarantor or any other guarantee or other similar agreement in favor of Administrative Agent in connection with the transactions contemplated by this Agreement and the other Loan Documents. Affected Foreign Subsidiaries shall not be Guarantors.

"Guarantor Payment" shall have the meaning assigned to it in Section 13.7.

"Hazardous Material" shall mean any substance, material or waste which is regulated by or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance which is (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws, (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's), or any radioactive substance.

"Hedge Agreement" shall mean any hedging arrangement designed to hedge against fluctuations in interest rates, currency exchange rates or commodity prices.

"Holdings" shall mean Chuy's Holdings, Inc., a Delaware corporation.

"Incremental Term Loan" shall have the meaning assigned to it in Section 2.1(d).

"Incremental Term Loan Termination Date" shall mean May 24, 2015.

"Incremental Term Loan Effective Date" shall have the meaning assigned to it in Section 2.1(d).

"Incremental Term Loan Lenders" shall mean, as of any date of determination, all Lenders holding all or any portion of the outstanding Incremental Term Loan.

"Incremental Term Loan Note" shall mean an Incremental Term Loan Note, substantially in the form of Exhibit 2.13(b)(iii), which, after execution and delivery to the applicable Incremental Term Loan Lender, shall be in the principal amount of the applicable Incremental Term Loan made by such Incremental Term Loan Lender (or the aggregate outstanding principal balance of the Incremental Term Loan held by such Lender) and shall represent the obligation of Borrower to pay the amount of such Incremental Term Loan Lender's Incremental Term Loan made (or the aggregate outstanding principal balance of the Incremental Term Loan held by such Lender) together with interest thereon in accordance with the terms and provisions of this Agreement.

"Incremental Term Loan Obligations" shall mean any Obligation with respect to the Incremental Term Loan (including, without limitation, the principal thereof, the interest thereon and all fees and expenses specifically related thereto).

"Indebtedness" of any Person shall mean without duplication (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property the payment for which is deferred three (3) months or more (including, without limitation, the maximum potential amount of all earn-outs and similar deferred payment obligations regardless of the length of deferral), but excluding obligations to trade creditors incurred in the ordinary course of business, (b) all reimbursement obligations with respect to letters of credit, bankers' acceptances and surety bonds, whether or not matured, (c) all obligations evidenced by notes, bonds, debentures or similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations, (f) solely for purposes of Section 7.3(a) and Section 9.1(e), all obligations of such Person under commodity purchase or option agreements or other commodity price hedging arrangements, in each case whether contingent or matured, (g) solely for purposes of Section 7.3(a) and Section 9.1(e), all obligations of such Person under any foreign exchange contract, currency swap agreement, interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in currency values or interest rates, in each case whether contingent or matured, (h) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Stock in such Person or any other Person, valued, in the case of redeemable preferred interests, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and (i) all Indebtedness referred to above secured by (or for which the holder of

such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property or other assets (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness.

"Indemnified Liabilities" shall have the meaning assigned to it in Section 12.4.

"Indemnified Person" shall the meaning assigned to it in Section 12.4.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes.

"Index Rate" shall mean, for any day, a floating rate equal to the greatest of (i) the per annum rate publicly quoted from time to time by The Wall Street Journal as the "Prime Rate" in the United States (or, if The Wall Street Journal ceases quoting a base rate of the type described, either (a) the per annum rate quoted as the base rate on such corporate loans in a different national publication as selected by Administrative Agent in good faith or (b) the highest per annum rate of interest published by the Federal Reserve Board in Federal Reserve statistical release H.15 (519) entitled "Selected Interest Rates" as the Bank prime loan rate or its equivalent), (ii) the Federal Funds Rate plus fifty (50) basis points per annum, and (iii) 4.50% percent per annum. Each change in any interest rate provided for in this Agreement based upon the Index Rate shall take effect at the time of such change in the Index Rate.

"Index Rate Loan" shall mean a Loan or portion thereof bearing interest by reference to the Index Rate.

"Instruments" shall mean any "instrument," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located, and, in any event, including all certificated securities, all certificates of deposit, and all notes and other, without limitation, evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intellectual Property" shall mean any and all Licenses, Patents, Copyrights, and Trademarks, including without limitation all patent rights, and inventions and discoveries and invention disclosures (whether or not patented), trade names, trade dress, logos, packaging design, slogans, Internet domain names, registered and unregistered trademarks and service marks and related registrations and applications for registration, copyrights in both published and unpublished works, know-how, trade secrets, confidential or proprietary information, research in progress, algorithms, data, designs, processes, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, and goodwill, licenses and claims of infringement against third parties.

"Intercompany Notes" shall have the meaning assigned to it in Section 7.3.

"Interest Payment Date" means (a) as to any Index Rate Loan, the last Business Day of each month to occur while such Loan is outstanding (for the avoidance of doubt, such payment shall be an interest payment for such month), (b) as to any LIBOR Loan, on the last day of any applicable LIBOR Period (for the avoidance of doubt, such payment shall be an interest payment for the LIBOR Period ending on such day) and (c) in addition to the foregoing, each of (x) the date upon which all of the Commitments have been terminated and the Loans have been paid in full and (y) the Revolving Loan Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest which is then accrued on Revolving Loans and unpaid under this Agreement.

"Inventory" shall mean any "inventory," as such term is defined in the Code, now or hereafter owned or acquired by any Loan Party or any of its Subsidiaries, wherever located, and in any event including inventory, merchandise, goods and other personal property which are held by or on behalf of any Loan Party or any of its Subsidiaries for sale or lease or are furnished or are to be furnished under a contract of service, or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in such Loan Party's or such Subsidiary's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies.

"Investment" shall mean to (i) purchase or acquire, or make any commitment to purchase or acquire any Stock or other debt or equity securities of, or any obligations or other securities of, or any interest in, any Person, including the establishment or creation of a Subsidiary, or (ii) make or commit to make any acquisition of all or substantially all of the assets of another Person, or of any business or division of any Person, including, without limitation, by way of merger, consolidation or other combination or (iii) make or commit to make any advance, loan, extension of credit or capital contribution to or any other equity or debt investment in, any Person including any Affiliate of Borrower.

"IPO Mandatory Prepayment Amount" shall mean the amount of Term Loans, Term Loan Obligations, Incremental Term Loan and Incremental Term Loan Obligations necessary for prepayment by Borrower such that Total Leverage Ratio on a pro forma basis after giving effect to such prepayment is less than or equal to 2.00 to 1.00, recomputed for the most recent Fiscal Month for which financial statements have been delivered to Administrative Agent and Lenders pursuant to the terms of this Agreement.

"IRC" shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto.

"IRS" shall mean the Internal Revenue Service, or any successor thereto.

"L/C Application" shall mean an application by Borrower to L/C Issuer, pursuant to a form approved by L/C Issuer, for the issuance of a Letter of Credit.

"L/C Honor Date" shall have the meaning assigned to it in Section 2.2(h)(i).

"L/C Issuer" shall have the meaning assigned to it in Section 2.2(a).

"L/C Sublimit" has the meaning assigned to it in Section 2.2(a).

"Lease Adjusted Leverage Ratio" shall be calculated as set forth on the Compliance Certificate.

"Lender-Related Distress Event" shall mean, with respect to any Lender or any Person that directly or indirectly controls such Lender (each, a "Distressed Person"), (a) a voluntary or involuntary case with respect to such Distressed Person under Title 11 of the United States Code or any similar bankruptcy laws of its jurisdiction of formation, (b) a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, (c) such Distressed Person is subject to a forced liquidation, merger, sale or other change of majority control supported in whole or in part by guaranties or other support (including, without limitation, the nationalization or assumption of majority ownership or operating control by) the U.S. government or other Governmental Authority, or (d) such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent or bankrupt. For purposes of this definition, control of a Person shall have the same meaning as in the second sentence of the definition of Affiliate.

"Lenders" shall mean the Persons named on the signature pages of this Agreement as lenders, and, if any such Lender shall assign all or any portion of the Commitments or Obligations in accordance with the terms of this Agreement, such term shall include such assignee.

"Letter of Credit Fee" has the meaning assigned to it in Section 2.2(d).

"Letter of Credit Obligations" shall mean all outstanding obligations reasonably incurred by Administrative Agent and Revolving Lenders at the request of Borrower, whether direct or indirect, contingent or otherwise, due or not due, under a support agreement, reimbursement agreement or guaranty by Administrative Agent or Revolving Lenders with respect to any Letter of Credit. The amount of such Letter of Credit Obligations shall equal the maximum amount payable by Administrative Agent or Revolving Lenders thereupon or pursuant thereto.

"Letters of Credit" shall mean standby letters of credit issued for the account of Borrower by any L/C Issuer, and bankers' acceptances issued by Borrower, for which Administrative Agent and Revolving Lenders have incurred Letter of Credit Obligations.

"LIBOR Business Day" shall mean a Business Day on which banks in the city of London are generally open for interbank or foreign exchange transactions.

"LIBOR Loan" shall mean a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

"LIBOR Period" shall mean with respect to any LIBOR Loan, each period commencing on a LIBOR Business Day selected by Borrower pursuant to this Agreement and ending one, two or three months thereafter, as selected by Borrower's irrevocable notice to Administrative Agent, as set forth in Section 2.5(e); provided that the foregoing provision relating to LIBOR Periods is subject to the following:

(a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;

(b) with respect to Advances, any LIBOR Period that would otherwise extend beyond the Revolving Loan Commitment Termination Date shall end two (2) LIBOR Business Days prior to such date;

(c) with respect to the Term A Loan, Delayed Draw Term B Loan and Incremental Term Loan, any LIBOR Period that would otherwise extend beyond the final scheduled maturity date of such Loan shall end two (2) LIBOR Business Days prior to such date;

(d) any LIBOR Period pertaining to a LIBOR Loan that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such LIBOR Period), shall end on the last LIBOR Business Day of a calendar month; and

(e) Borrower shall select LIBOR Periods so as not to require a payment or prepayment of any LIBOR Loan during a LIBOR Period for such Loan.

"LIBOR Rate" shall mean for each LIBOR Period a rate of interest determined in good faith by Administrative Agent equal to the greater of (a) 1.50% percent per annum, and (b)(i) the Base LIBOR Rate for such LIBOR Period, divided by (ii) 100% minus the Reserve Percentage. The LIBOR Rate shall be adjusted on and as of the effective day of any change in the Reserve Percentage. "Base LIBOR Rate" means the rate per annum rate appearing on Bloomberg L.P.'s (the "Service") Page BBAM1/(Official BBA USD Dollar Libor Fixings) (or on any successor or substitute page of such Service, or any successor to or substitute for such Service) two (2) LIBOR Business Days prior to the commencement of the requested LIBOR Period, for a term and in an amount comparable to the LIBOR Period and the amount of the LIBOR Loan requested (whether as an initial LIBOR Loan or as a continuation of a LIBOR Loan or as a conversion of an Index Rate Loan to a LIBOR Loan) by Borrower in accordance with the Agreement, which determination shall be conclusive in the absence of manifest error. "Reserve Percentage" means, on any day, the maximum percentage prescribed by the Federal Reserve Board (or any successor Governmental Authority) for determining the reserve requirements (including any basic, supplemental, marginal, or emergency reserves) that are in effect on such date with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities"), but so long as no Lender is required or directed under applicable regulations to maintain such reserves, the Reserve Percentage shall be zero.

"License" shall mean any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Loan Party or any of its Subsidiaries (excluding commercially available "off the shelf" software or the equivalent thereof, provided, that, it is agreed and understood that such software, if any, shall constitute Collateral subject to the last paragraph of Section 2.1(A) of the Security Agreement).

"Lien" shall mean any mortgage or deed of trust, pledge, hypothecation, assignment, security deposit arrangement, lien, charge, security interest or other security agreement or preferential arrangement of any kind or nature whatsoever (including any Capital Lease or title retention agreement or any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).

"Litigation" shall have the meaning assigned to it in Section 4.13.

"Loan Account" shall mean each account maintained hereunder by the Administrative Agent on its books of account in which Borrower will be charged with all Loans made to, and all other Obligations incurred by, Borrower (whether in one or both such accounts on an aggregate basis, but without duplication).

"Loan Documents" shall mean this Agreement, the Notes, the Collateral Documents and, exclusive of other documents or groups of documents expressly referenced in the definition of the term "Related Transactions Documents", all other agreements, instruments, documents and certificates entered into in connection therewith and/or identified in Section 3.1 and executed by a Loan Party with, or in favor of, Administrative Agent and/or any Lender and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party with, or in favor of, Administrative Agent and/or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such agreement as the same may be in effect at any and all times such reference becomes operative.

"Loan Modification" shall have the meaning assigned to it in Section 12.2(a).

"Loan Parties" shall mean Borrower and the Guarantors.

"Loans" shall mean the Advances, the Term A Loan, the Delayed Draw Term B Loan, the Incremental Term Loan and, as the context may require, any portion of any or all of the foregoing.

"Management Agreement" shall mean that certain Advisory Agreement between Sponsor and Borrower, dated as of November 7, 2006.

"Margin" means, as the context may require, any of the Revolver Index Margin, the Revolver LIBOR Margin, the Term A Loan Index Margin, the Term A Loan LIBOR Margin, the Delayed Draw Term B Loan Index Margin or the Delayed Draw Term B Loan LIBOR Margin.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, assets, operations or financial condition of the Loan Parties taken as a whole, (b) Borrower's ability to pay any of the Loans or any of the other Obligations in accordance with the terms of this Agreement, or the Guarantors' ability, taken as a whole, to satisfy their obligations hereunder or under any other applicable guaranty, (c) Administrative Agent's Liens, on behalf of itself and the other Secured Parties, on the Collateral or the priority of such Liens, or (d) the Administrative Agent's or any Lender's rights and remedies under this Agreement and the other Loan Documents.

"Maximum Amount" shall mean, at any particular time, with respect to the Revolving Loan, an amount equal to the Revolving Loan Commitment of all Revolving Lenders.

"Mortgaged Properties" shall mean all fee-owned Real Estate of the Loan Parties, if any, pledged as security for the Obligations.

"Mortgages" shall mean each of the mortgages, deeds of trust, collateral assignments of leases or other real estate security documents delivered by any Loan Party to Administrative Agent on behalf of itself and the other Secured Parties with respect to the Mortgaged Properties, all in form and substance reasonably satisfactory to Administrative Agent, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and to which any Loan Party or ERISA Affiliate is making, is obligated to make, has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"Notes" shall mean the Revolving Notes, the Term A Loan Notes, the Delayed Draw Term B Loan Notes and the Incremental Term Loan Notes, collectively, if any, to the extent issued (and not returned to Borrower for cancellation).

"Notice of Advance" shall mean a Revolving Loan Notice of Advance or Delayed Draw Term B Loan Advance, as required by the context.

"Notice of Conversion/Continuation" shall have the meaning assigned to it in Section 2.5(e).

"Obligations" shall mean all loans, advances, debts, liabilities and obligations, for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Loan Party or any of its Subsidiaries to Administrative Agent, any L/C Issuer in respect of Letter of Credit Obligations incurred pursuant to the terms hereof, any Eligible Hedge Counterparty (solely with respect to Hedge Agreements permitted hereunder) or any Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, in all cases, to the extent arising under this Agreement, any of the other Loan Documents or, in the case of an Eligible Hedge Counterparty, the applicable Hedge Agreement. This term includes all principal, interest (including all interest which accrues after the commencement of any case or proceeding in bankruptcy, or for the reorganization of any Loan Party, whether or not allowed in such proceeding), Letter of Credit reimbursement obligations, Fees, Charges, expenses, attorneys' fees and any other sum chargeable to any Loan Party or any of its Subsidiaries under this Agreement or any of the other Loan Documents.

"Organization Documents" shall mean, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Lender" has the meaning assigned to it in Section 10.9(c).

"Patent License" shall mean rights under any agreements now owned or hereafter acquired by any Loan Party or any of its Subsidiaries granting any right with respect to any invention on which a Patent is in existence.

"Patents" shall mean all of the following in which any Loan Party or any of its Subsidiaries now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Discretion" shall mean a determination made in good faith and in the exercise of reasonable (from the perspective of a secured lender) business judgment.

"Permitted Encumbrances" shall mean the following encumbrances: (a) Liens for taxes or assessments or other governmental Charges not yet due and payable or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (b) pledges or deposits of money securing obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation in the ordinary course of business; (c) pledges or deposits of money securing contracts (other than contracts for the payment of Indebtedness) or leases to which any Loan Party or any of its Subsidiaries is a party as lessee made in the ordinary course of business; (d) pledges or deposits of money (including Cash Equivalents) securing statutory obligations of any Loan Party or any of its Subsidiaries in the ordinary course of business; (e) inchoate and unperfected statutory workers', mechanics', landlords' or similar liens arising in the ordinary course of business, so long as such Liens attach only to tangible property on the applicable premises and/or the applicable Real Estate; (f) carriers', warehousemen's, suppliers' or other similar possessory liens arising in the ordinary course of business, provided that aggregate past due obligations secured thereby do not exceed $100,000 at any time; (g) deposits securing, or in lieu of, surety or appeal bonds in proceedings to which any Loan Party or any of its Subsidiaries is a party; (h) any attachment or judgment lien not constituting an Event of Default under Section 9.1(j); (i) zoning restrictions, easements, licenses, or other restrictions on the use of any Real Estate or other minor irregularities in title (including leasehold title) thereto, so long as the same do not materially impair the use, value, or marketability of such Real Estate; (j) presently existing or hereafter created Liens in favor of Administrative Agent, on behalf of itself and the other Secured Parties; (k) Liens not otherwise described in this definition in existence on the date hereof and summarized on Schedule 7.7, including replacement Liens on the property subject to such Lien (but only such property) in connection with a refinancing of the underlying Indebtedness not in violation of this Agreement; (l) Liens created after the date hereof by conditional sale or other title retention agreements (including Capital Leases) or in connection with purchase money Indebtedness with respect to Equipment and Fixtures acquired by any Loan Party or any of its Subsidiaries in the ordinary course of business, involving the incurrence of an aggregate amount of purchase money Indebtedness and Capital Lease Obligations of not more than $500,000 outstanding at any one time for all such Liens (provided that such Liens attach only to the assets subject to such purchase money debt and such Indebtedness is incurred within forty five (45) days following such purchase and does not exceed one hundred percent (100%) of the purchase price of the subject assets); (m) precautionary Code financing statement filings regarding operating leases; (n) leases or subleases of real or personal property granted to other Persons (as lessee thereof) not materially interfering with the conduct of the business of any Loan Party or any Subsidiary of a Loan Party; (o) customary Liens on deposit accounts and securities accounts granted or arising in the ordinary course of business in favor of depositary banks and securities intermediaries maintaining such deposit accounts or securities accounts; (p) Liens in favor of collecting banks arising under Section 4-210 of the Code; (q) Liens in favor of insurers (or other Persons financing the payment of insurance premiums) securing Indebtedness of the type described in and permitted under Section 7.3 hereof financing the premiums payable in respect of insurance policies issued by such insurers; provided that such Liens attach solely to returned premiums in respect of such insurance policies and the proceeds of such policies;

(r) subject to the limitations set forth in Section 7.3(a)(x), Liens on cash deposits posted pursuant to Hedge Agreements to secure obligations thereunder to the extent such Hedge Agreements are permitted hereunder; and (s) other Liens not described above securing obligations other than Indebtedness, provided the aggregate outstanding amount of the obligations secured thereby does not exceed $250,000.

"Permitted Holders" shall mean J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III, LLC, 522 Fifth Avenue Fund, L.P., J.P. Morgan U.S. Pooled Corporate Finance Institutional Investors III LLC, Goldman Sachs Private Equity Partners 2000 Offshore, L.P., Goldman Sachs Private Equity Partners 2000, L.P., Goode Holdings LLC, Jose Ferreira, Jr., Goode Partners Consumer Fund I, LP, David J. Oddi, Goode Chuy's Co-Investors, LLC, Goode Investors I LLC, Goode Chuy's Direct Investors, LLC and any Affiliate, estate or heir of any thereof.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean, at any time, an employee benefit plan, as defined in Section 3(3) of ERISA, which any Loan Party maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Loan Party (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be an employee benefit plan of such Loan Party).

"Pledge Agreement" shall mean the Pledge Agreement of even date herewith executed by certain of the Loan Parties in favor of Administrative Agent, on behalf of itself and the other Secured Parties, pledging all Stock of their Subsidiaries (subject to the limitations set forth in Section 6.11(a) relating to Foreign Subsidiaries), and all Intercompany Notes owing to or held by such Loan Party, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Prior Defaulting Lender" shall mean, as of any date, a Lender that is not then a Defaulting Lender but was a Defaulting Lender at any time during the past 365 days.

"Priority Hedge Agreement Exposure" means up to $1,000,000 of obligations owing to any Eligible Hedge Counterparty in respect of any Hedge Agreements designed to hedge against fluctuations in interest rates pertaining to an aggregate of up to 50% of the outstanding principal balance of the Term Loans.

"Pro Forma Balance Sheet" shall mean the unaudited consolidated and consolidating balance sheet of the Loan Parties (other than Holdings) and their Subsidiaries as of March 27, 2011 after giving pro forma effect to the Related Transactions.

"Pro Rata Share" shall mean (a) with respect to all matters relating to any Lender with respect to the Revolving Loan, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Loan Commitments of all Lenders (provided, after the Revolving Loan Commitments have expired or been terminated, the applicable outstanding balances of the Revolving Loan and Letter of Credit Obligations held by such Lender and all the Lenders, respectively, shall be used in lieu of the Revolving Loan Commitment in both clauses (i) and (ii)), (b) with respect to all matters relating to any Lender with respect to the Term A Loan, the percentage obtained by dividing (i) the Term A Loan Commitment of that Lender by (ii) the aggregate Term A Loan Commitments of all Lenders (provided, after the Closing Date, the applicable outstanding principal balances of the Term A Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Term A Loan Commitment in both clauses (i) and (ii)), (c) with respect to all matters relating to any Lender with respect to the Delayed Draw Term B Loan, the percentage obtained by dividing (i) the Delayed Draw Term B Loan Commitment of that Lender by (ii) the aggregate Delayed Draw Term B Loan Commitments of all Lenders (provided, after the Delayed Draw Term B Loan Commitments have expired or been terminated, the applicable outstanding principal balances of the Delayed Draw Term B Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Delayed Draw Term B Loan Commitment in both clauses (i) and (ii)), (d) with respect to all matters relating to any Lender with respect to the Incremental Term Loan, the percentage obtained by dividing (i) the outstanding principal balance of the Incremental Term Loan held by such Lender by (ii) the aggregate outstanding principal balance of the Incremental Term Loans held by all Lenders, and (e) with respect to any other matters set forth in the Agreement and other Loan Documents, the percentage obtained by dividing (i) the Commitments of that Lender by (ii) the aggregate Commitments of all Lenders (provided, (A) after the Revolving Loan Commitments, and/or Delayed Draw Term B Loan Commitments have expired or been terminated, the applicable outstanding balances of the Revolving Loan and Letter of Credit Obligations, or Delayed Draw Term B Loans, as applicable, held by such Lender and all Lenders, respectively, shall be used in lieu of the Revolving Loan Commitment and/or Delayed Draw Term B Loan Commitments in both clauses (i) and (ii), and (B) after the Closing Date, the applicable outstanding principal balances of the Term A Loan and Incremental Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the Term Loan Commitments in both clauses (i) and (ii)), in each case as any such percentages may be adjusted by assignments permitted pursuant to Section 10.1.

"Projections" means the Loan Parties' and their Subsidiaries' forecasted consolidated: (a) balance sheets; (b) profit and loss statements; (c) cash flow statements; and (d) capitalization statements, together with appropriate supporting details and a statement of underlying assumptions.

"Protective Advances" shall have the meaning assigned to it in Section 2.9(a).

"Qualified Plan" shall mean a Plan which is intended to be tax-qualified under Section 401(a) of the IRC.

"Rating Agencies" shall have the meaning assigned to it in Section 10.1(f).

"Real Estate" shall mean all of the real property owned, leased or used by any Loan Party or any Subsidiary of a Loan Party.

"Refinancing" shall mean the repayment in full by Borrower of certain obligations on the Closing Date (as set forth with more specificity on Schedule 2.4).

"Register" shall have the meaning assigned to it in Section 10.1(c).

"Related Transactions" means each borrowing under the Revolving Loan on the Closing Date, the funding of the Term Loans on the Closing Date, the Dividend Recapitalization, the Refinancing, the payment of all fees, costs and expenses associated with all of the foregoing and the execution and delivery of all of the Related Transactions Documents.

"Related Transactions Documents" shall mean the Loan Documents, payoff letters pertaining to the Refinancing, and all agreements, instruments, documents and resolutions of Governing Bodies pertaining to the Dividend Recapitalization.

"Release" shall mean any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

"Replacement Lender" shall have the meaning assigned to it in Section 10.9(f).

"Requirements of Law" shall mean, as to any Person, the Organization Documents of such Person, and each federal, state, local and foreign law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Requisite Lenders" shall mean Lenders having more than fifty percent (50%) of the sum of (i) the Revolving Loan Commitments of all Lenders (or of the aggregate outstanding amount of the Revolving Loan if the Revolving Loan Commitments have expired or been terminated), plus (ii) the undrawn portion of the aggregate Delayed Draw Term B Loan Commitments of all Lenders plus (iii) the aggregate outstanding principal balance of the Term Loans of all Lenders plus (iv) the aggregate outstanding principal balance of the Incremental Term Loan of all Lenders; provided, that if there are two or more Lenders, then Requisite Lenders shall include at least two Lenders (Lenders that are Affiliates of one another being considered as one Lender for purposes of this proviso).

"Responsible Officer" shall mean the chief executive officer, the president, the chief financial officer or the treasurer of Borrower or any other officer having substantially the same authority and responsibility.

"Restricted Payment" shall mean (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets (other than in the form of Stock other than Disqualified Stock) in respect of a Person's Stock, (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of a Person's Stock or any other payment or distribution made in respect thereof, either directly or indirectly, (c) any payment or prepayment of principal of, premium, if any, or interest, fees or other amounts on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt; (d) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Stock of such Person now or hereafter outstanding; and (e) any payment of management fees (or other fees of a similar nature, but excluding reimbursement of costs and expenses) by such Person to any direct or indirect equity holder of such Person or their Affiliates.

"Retiree Welfare Plan" shall mean, at any time, a Plan that is a "welfare plan" as defined in Section 3(2) of ERISA, that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant's termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC and at the sole expense of the participant or the beneficiary of the participant.

"Revolver Index Margin" shall mean the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Revolving Loan, as determined by reference to Section 2.5(a).

"Revolver LIBOR Margin" shall mean the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the Revolving Loan, as determined by reference to Section 2.5(a).

"Revolver Obligations" shall mean any Obligations with respect to the Revolving Loan (including, without limitation, the principal thereof, the interest thereon, all fees and expenses specifically related thereto and all Letter of Credit Obligations).

"Revolving Lenders" shall mean, as of any date of determination, each Lender having a Revolving Loan Commitment or, if the Revolving Loan Commitments have expired or been terminated, holding an interest (including a participation interest in any Letter of Credit Obligations) in the Revolving Loan.

"Revolving Loan" shall mean as the context may require, at any time, the sum of (i) the aggregate amount of Advances outstanding to Borrower plus (ii) the aggregate Letter of Credit Obligations incurred on behalf of Borrower.

"Revolving Loan Commitment" shall mean (a) as to any Lender, the aggregate commitment of such Lender to make Advances and/or incur Letter of Credit Obligations as set forth on the applicable signature page to this Agreement (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make Advances and/or incur Letter of Credit Obligations, which aggregate commitment shall be Five Million and No/100 Dollars ($5,000,000.00) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with this Agreement.

"Revolving Loan Commitment Termination Date" shall mean the earliest of (a) May 24, 2016, (b) the date of termination of Revolving Lenders' obligations to make Advances or permit existing Advances to remain outstanding pursuant to Section 9.2(b), and (c) the date of indefeasible prepayment in full by Borrower of the Advances, and the permanent reduction of the Revolving Loan Commitment to zero Dollars ($0), in accordance with the provisions of Section 2.3(a).

"Revolving Note" shall mean a Revolving Note, substantially in the form of Exhibit 2.13(a), which, after execution and delivery to the applicable Revolving Lender, shall be in the principal amount of the Revolving Loan Commitment thereof and shall represent the obligation of Borrower to pay the amount of such Revolving Lender's Revolving Loan Commitment or, if less, the applicable Revolving Lender's Pro Rata Share of the aggregate unpaid principal amount of all Advances thereto together with interest thereon as prescribed in Section 2.5.

"Revolving Loan Notice of Advance" shall have the meaning assigned to it in Section 2.1(a)(i).

"Secured Parties" shall mean, collectively, Administrative Agent, Lenders, L/C Issuer and Eligible Hedge Counterparties, and "Secured Party" shall mean each such Person individually.

"Security Agreement" shall mean the Security Agreement of even date herewith executed by the Loan Parties in favor of Administrative Agent, on behalf of itself and the other Secured Parties, granting liens upon substantially all of their personal property, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Seller Note" means the promissory note, dated as of November 7, 2006, issued by Borrower in favor of Three Star Management, Ltd., a Texas limited partnership, in an original principal amount of $1,276,556.26.

"Solvent" shall mean, with respect to any Person individually, or group of Persons taken together on a combined basis, as applicable, on a particular date, that on such date (a) the fair value of the property of such Person or group is greater than the total amount of liabilities, including contingent liabilities, of such Person or group; (b) the present fair salable value of the assets of such Person or group is not less than the amount that will be

required to pay the probable liability of such Person or group on its debts as they become absolute and matured; (c) such Person or group does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's or group's ability to pay as such debts and liabilities mature; and (d) such Person or group is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's or group's property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guarantees and pension plan liabilities) at any time shall be computed as the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can be reasonably be expected to become an actual or matured liability.

"Sponsor" shall mean Goode Partners LLC, a Delaware limited liability company.

"Stock" shall mean all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Exchange Act).

"Subordinated Debt" shall mean any Indebtedness of any Loan Party or any of its Subsidiaries that is on terms and conditions acceptable to Administrative Agent (including payment terms, interest rates, covenants, remedies, defaults and other material terms) and which has been expressly subordinated to the Obligations in a manner and form satisfactory to Administrative Agent in its sole discretion, as to right and time of payment and as to any other rights and remedies thereunder.

"Subordinated Debt Documents" shall mean all agreements, documents and instruments entered into in connection with Subordinated Debt (excluding, in any event, the Loan Documents).

"Subsidiary" shall mean, with respect to any Person, (a) any corporation of which an aggregate of more than fifty percent (50%) of the outstanding Stock having ordinary voting power to elect a majority of the Governing Body of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person and/or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of more than fifty percent (50%) of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) or of which any such Person is a general partner or may exercise the powers of a general partner.

"Subsidiary Guarantor" shall mean a Domestic Subsidiary of Borrower or a Foreign Subsidiary of Borrower that is not an Affected Foreign Subsidiary, in each case that is a Guarantor and with respect to which Borrower and such Subsidiary have complied (or have caused compliance) with Section 6.11.

"Taxes" shall mean all present and future taxes, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto.

"Term A Loan" shall mean the term loan funded on the Closing Date under the Term A Loan Commitment pursuant to Section 2.1(b) (it being understood that such term shall refer to the aggregate Term A Loan funded to Borrower when used in the context of all Term A Loan Lenders collectively and a particular Term A Loan Lender's portion of the aggregate Term A Loan when used in the context of an individual Term A Loan Lender).

"Term A Loan Commitment" shall mean (a) as to any Lender, the commitment of such Lender to make its Pro Rata Share of the Term A Loan as set forth on the applicable signature page to this Agreement (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make the Term A Loan, which aggregate commitment shall be Fifty Two Million Five Hundred Thousand and No/100 Dollars ($52,500,000.00) on the Closing Date.

"Term A Loan Index Margin" shall mean the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Term A Loan, as determined by reference to Section 2.5(a).

"Term A Loan Lenders" shall mean, as of any date of determination, all Lenders having a Term A Loan Commitment or holding all or any portion of the outstanding Term A Loan.

"Term A Loan LIBOR Margin" shall mean the per annum interest rate margin from time to time in effect and payable in addition to the LIBOR Rate applicable to the Term A Loan, as determined by reference to Section 2.5(a).

"Term A Loan Maturity Date" shall mean May 24**,** 2016.

"Term A Loan Note" shall mean a Term A Loan Note, substantially in the form of Exhibit 2.13(b)(i), which, after execution and delivery to the applicable Term A Loan Lender, shall be in the principal amount of the Term A Loan Commitment thereof (or the aggregate outstanding principal balance of the Term A Loan held by such Lender) and shall represent the obligation of Borrower to pay the amount of such Term A Loan Lender's Term A Loan Commitment thereto (or the aggregate outstanding principal balance of the Term A Loan held by such Lender) together with interest thereon as prescribed in Section 2.5.

"Term A Loan Obligations" shall mean any Obligation with respect to the Term A Loan (including, without limitation, the principal thereof, the interest thereon and all fees and expenses specifically related thereto).

"Term Loan Lenders" shall mean, collectively, all Term A Loan Lenders and all Delayed Draw Term B Loan Lenders.

"Term Loan Obligations" shall mean, collectively, the Term A Loan Obligations and the Delayed Draw Term B Loan Obligations.

"Term Loans" shall mean, collectively, the Term A Loan and the Delayed Draw Term B Loan.

"Termination Date" shall mean the date on which all of the following conditions are first satisfied: (i) all Commitments have expired or been terminated; (ii) the Loans have been insensibly repaid in full in cash and all other Obligations (other than contingent indemnification obligations to the extent no unsatisfied claim giving rise thereto has been asserted) under this Agreement and the other Loan Documents have been indefeasibly completely discharged; (iii) all Letter of Credit Obligations have been cash collateralized, cancelled or backed by standby Letters of Credit in accordance with the terms of this Agreement; and (iv) Borrower shall have no further right to borrow any monies or arrange for the issuance of Letters of Credit under this Agreement.

"Title IV Plan" shall mean an employee pension benefit plan, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), which is covered by Title IV of ERISA, and which any Loan Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"Total Leverage Ratio" shall be calculated as set forth on the Compliance Certificate.

"Trademark License" shall mean rights under any written agreement now owned or hereafter acquired by any Loan Party or any of its Subsidiaries granting any right to use any Trademark.

"Trademarks" shall mean all of the following now owned or hereafter acquired by any Loan Party or any of its Subsidiaries: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and indicia of origin (whether registered or unregistered), now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

"Unfunded Pension Liability" shall mean, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of five (5) years following a transaction which could reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Loan Party or any ERISA Affiliate as a result of such transaction.

"USA Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as the same has been, or shall hereafter be, renewed, extended, amended or replaced, and the rules and regulations promulgated thereunder from time to time in effect.

Exhibit 10.2

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") dated as of July 9, 2007, is made between Chuy's Opco, Inc., a Delaware corporation (the "Company"), and Steve Hislop, an individual with a principal place of residence located at 1623 Toomey Road, Austin, Texas 78704 ("Executive").

R E C I T A L S

A. The Company desires to employ Executive to provide services to the Company pursuant to this Agreement and Executive desires to provide such services to the Company pursuant to this Agreement

B. The Company and Executive wish to enter into a formal agreement that will govern the terms and conditions applicable to Executive's employment with the Company.

Now, therefore in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

I. TERMS AND CONDITIONS OF EMPLOYMENT

1.1 **Employment Period; Duties and Responsibilities**. (a) Commencing on the date hereof (the "Effective Date") and terminating on any date of termination of Executive's employment pursuant to Article II (the "Employment Period"), Executive will: (i) serve as President and Chief Executive Officer of the Company, (ii) report directly and solely to the board of directors of the Company (the "Board") and, (iii) in such capacity as President and Chief Executive Officer, be appointed to the Board.

(b) Executive will perform and undertake in good faith and to the best of his ability the customary duties and responsibilities of a chief executive officer relative to the Company and such other duties as may be assigned to his from time to time by the Board or a committee thereof. All personnel of the Company, will report, directly or indirectly, to Executive.

(c) During the Employment Period, Executive will devote his full working time and attention to the business and affairs of the Company.

1.2 **Compensation**. (a) Base Salary: During the period commencing on the Effective Date and ending on any date of termination, Executive will be paid a base salary (such salary or any salary that is increased as provided herein at any time being referred to as "Base Salary") of $300,000 per annum, less payroll taxes and other deductions required by applicable law and other deductions authorized in writing by the Executive. Base Salary will be paid bi-weekly as determined by the Company in its sole discretion.

(b) Bonus: In addition to any Base Salary, Executive will be eligible to earn an annual target bonus of One Hundred and Fifty Thousand Dollars ($150,000) (the "Bonus") based upon achievement of Board approved performance objectives and payable as soon as commercially practicable in the calendar year after such Bonus is earned, but, in any event, no

later than March 1st of such calendar year; provided, however, that Executive must be employed by the Company on the date the Bonus is to be paid to Executive to receive such Bonus. This bonus can range between zero ($0.00) and Three Hundred Thousand Dollars ($300,000) based upon under or over achievement of Board approved performance objectives. For 2007 this bonus will be pro rated for the period of the year the Executive is employed by the company.

(c) Options: Pursuant to a Stock Option Agreement and all times subject to the Company's Stock Option Plan, Executive shall be granted 968,000 stock options in the Company (3.5 % of the issued and outstanding capital stock at the time of this agreement) at a strike price of $1.00 (the per share price paid by Goode Partners LLC at the time of the acquisition) and 138,000 stock options in the company (0.5% of the issued and outstanding capital stock at the time of this agreement) at a strike price of $3.80; provided, that Executive executes a Stock Option Agreement in connection with such stock options. The Stock Option Agreement shall provide for, (i) a five (5) year vesting schedule of such stock options, beginning on the first anniversary of the date hereof continuing each year thereafter for a period of four (4) years and (ii) the exclusive right for the Company to repurchase, within twelve (12) months of the termination of Executive's Employment as set forth herein for any reason other than Cause (as set forth in Section 2.2), any such vested options at fair market value from Executive. Executive's stock options will vest entirely and immediately upon the event of a sale of the Company that results in a change of control. "Change of Control" shall mean (a) a sale of all or substantially all of the Company's assets, (b) a merger in which the Company is not the surviving entity (other than a merger whereby a majority of the shareholders of the Company on the date hereof are in control of the entity surviving such merger following the consummation thereof), (c) a sale of all or substantially all of the Company's shares of capital stock, (d) the initial public offering of the capital stock of the Company or (e) any other transaction resulting in the majority shareholder of the Company on the date hereof no longer in control of the Company, in all such cases in one or a series of related transactions.

(d) Capital Stock: The Executive can purchase up to 280,000 shares of the company's capital stock at the initiation of this agreement at a price of $1.00 per share. These shares will be owned by the Executive but held by the company. The Company has the exclusive right to repurchase the shares from the Executive, within twelve (12) months of the termination of Executive's Employment, at fair market value.

1.3 **Participation in Employee Benefits Plans**. (a) Executive will become eligible to participate in the plans of the Company generally available to other employees including participation in the Company's 401(k) program on the first of the month following 30 days of employment. Executive will be provided access to the Company's medical and dental plan and fully subsidized for participation in the HMO Family Plan. The following is an overview of the Company's current employee benefits:

Medical and Dental Coverage: (Dental)	Humana PPO (medical) / Mutual of Omaha Chuy's Opco pays for 98% of employee premium. Dependent coverage available to spouse and/or children at employee's expense.

Dependent premiums per pay period for plan year ending 6/30/2007:

Health	
Spouse	136.97
Child(ren) only	112.28
Family	250.15
Dental	
Spouse	11.19
Child(ren) only	11.94
Family	26.64

Brief overview of Humana health PPO coverage (Choice Care network) for plan year 07/01/06 to 06/30/07:

Calendar year deductible	1,000.00	individual	in-network
	2,000.00	family	in-network
Co-insurance	80% in network / 60% out of network		
Office visit co-pay in-network	15.00	primary care physician	
	30.00	specialists	
Prescription	$10 / $25 / $45 / 25%		

Brief overview of Mutual of Omaha (United Concordia) Dental coverage:

Calendar year deductible	$50	individual
	$150	family
Maximum per calendar year:	$1,500	
Class I		
Preventative and Diagnostic	100%	
Class II		
Basic Services	80%	
Class III		
Major Services	50%	
Orthodontic services		
To age 19	50%	
Maximum ortho benefit	$1,000	

Life Insurance:	Jefferson Pilot Insurance $25,000 life Premium paid by company
Voluntary Life Insurance:	Jefferson Pilot Insurance Available for employee, spouse and children
Long Term Disability:	Jefferson Pilot Insurance If disabled, pays 60% of monthly salary tax-free up to a maximum of $10,000 per month.
401(k):	John Hancock Financial

Employees are eligible after 1 year of service (1000 hours).
May defer up to the maximum allowable by IRS.
Employer match is discretionary.
Employees are 100% vested for any employer matching after 3 years of service.

Vacation:

(b) Executive shall be entitled to four (4) weeks paid vacation per calendar year. Any unused portion of available vacation days per annum shall not carry over to the following year and Executive shall not receive any compensation for such unused vacation prior to and/or upon the termination of this Agreement.

1.4 **Expense Reimbursement**. (a) Executive will be entitled to receive reimbursement from the Company for reasonable business expenses incurred by Executive in the performance of his duties provided, that Executive furnishes the Company with substantiating documentation in accordance with the Company's policies. The company current reimburses top executives for mileage expense at the IRS rate.

(b) The Executive will be reimbursed for reasonable out-of-pocket moving expenses (Full move: pack and unpack) and duplicate housing costs incurred by Executive in connection with Executive's relocation from Tampa, Florida to the Austin, Texas area. Company will reimburse Executive for the lower of the two home mortgage payments he incurs for up to 6 months. If Executive does not sell his Florida home in 6 months, payment may be extended monthly by Chairman of Board. These expenses need to be pre-approved by the company.

II. TERMINATION OF EMPLOYMENT

2.1 **Termination by the Company Without Cause**. (a) The Company may terminate Executive's employment under this Agreement without Cause (as Cause is defined in Section 2.3), by giving no less than 30 days' prior notice of such termination to Executive. If such termination notice is given to Executive, the Company may, if it so desires, immediately relieve Executive of some or all of his duties. Upon receipt of the termination notice, Executive will also have the right to elect to be relieved of some or all of his duties.

(b) In the event Executive is relieved of his duties following termination notice provided under Section 2.1(a), the Company will provide Executive: (i) the unpaid portion of Executive's Base Salary earned through the date of such termination; (ii) his base annual compensation for a period of six months after the date of termination if terminated on or before July 8th, 2009 or his base annual compensation for a period of twelve months after the date of termination if terminated on or after July 9, 2009; (iii) vested benefits provided in Section 1.3(a); (iv) vested options provided in Section 1.2(c) and (v) reimbursement for expenses incurred prior to the date of such termination for which Executive has not yet been reimbursed, as provided for in Sections 1.3(b) and 1.4.

2.2 **Termination by the Company for Cause**. (a) The Company may terminate Executive's employment hereunder for Cause by prior written notice, to be effective immediately upon Executive's receipt of such written notice.

(b) Should Executive's employment hereunder be terminated by the Company for Cause, Executive will be entitled to receive, on the next regularly scheduled payroll payment date of the Company after such termination, only: (i) the unpaid portion of Executive's Base Salary earned through the date of such termination; (ii) vested benefits provided in Section 1.3(a); and (iii) reimbursement for expenses incurred prior to the date of such termination for which Executive has not yet been reimbursed, as provided for in Sections 1.3(b) and 1.4; provided, further, that, upon termination under this Section 2.2, Executive shall immediately forfeit any vested or unvested options granted pursuant to Section 1.2(c).

(c) "Cause" means: (i) Executive's commission of any act of fraud, embezzlement or dishonesty; (ii) any intentional misconduct by Executive that has a materially adverse effect upon the Company's business or reputation; (iii) the admission or conviction of Executive of, or entering of a plea of nolo contendere by Executive to, any felony or any lesser crime involving moral turpitude, fraud, embezzlement or theft; (iv) any intentional violation of a written policy of the Company that remains uncured 15 days after notice from the Company to Executive describing such violation; (v) the use of alcohol or illegal drugs (or prescription drugs in a manner other than as prescribed by a physician), interfering with the performance of Executive's obligations hereunder; or (vi) breach by Executive of any provision of Article III. Any determination of Cause will be made by the Board.

2.3 **Resignation by Executive**. (a) Executive may terminate Executive's employment hereunder at any time by giving the Company at least 30 days' prior written notice of such termination. If such written notice is given by Executive to the Company, the Company may, if it so desires, immediately relieve Executive of some or all of Executive's duties.

(b) Upon the termination of Executive's employment by reason of a resignation by Executive under this Section 2.3, Executive will be entitled to receive only: (i) the unpaid portion of Executive's Base Salary earned through the date of such termination; (ii) vested options provided in Section 1.2(c); (iii) vested benefits provided in Section 1.3(a); and (iv) reimbursement for expenses incurred prior to the date of such termination for which Executive has not yet been reimbursed, as provided for in Sections 1.3(b) and 1.4.

2.4 **Death or Disability**. (a) Executive's employment will automatically terminate upon the death or Disability of Executive.

(b) "Disability" means Executive's inability to perform the normal and usual duties of Executive's position with the Company, with or without accommodation, by reason of any physical or mental impairment for more than 90 consecutive days, or 120 or more non-consecutive days, in any consecutive 12-month period as determined by a physician mutually acceptable to Executive and the Company. Any determination of Disability will be made by the Board and shall be based on the decision of the physician referred to above.

(c) During any period that Executive fails to perform Executive's duties as a result of Death or Disability ("Disability Period"), Executive will continue to receive his full Base Salary at the rate then in effect for such period until Executive's employment is terminated pursuant to Section 2.4(a); provided, that payment so made to Executive during a Disability Period will be reduced by the sum of the amounts, if any, payable to Executive at or prior to the time of any such payment under the disability benefit plans of the Company.

2.5 **Termination of Benefits**. Notwithstanding anything to the contrary in this Agreement, all payments arid benefits under this Article II will immediately terminate, except for any payments due to Executive for reimbursement for expenses for which Executive has not yet been reimbursed as provided for in Sections 1.3(b) and 1.4, in the event Executive breaches any provision of Article III.

III. CERTAIN COVENANTS

3.1 **Assignment of Inventions**. Executive, and Executive on behalf of Executive's heirs and assigns, irrevocably assigns to the Company all of Executive's rights, titles and interest, including, but not limited to, all patent, copyright and trade secret rights, in and to all inventions, ideas, disclosures and improvements (whether patented or unpatented), any copyrightable works or any other works of authorship which are or may be developed, made or conceived by Executive, either alone or jointly with others, in whole or in part, during the Employment Period (an "Invention").

3.2 **Proprietary Information**. Executive understands and agrees that Executive's employment with the Company creates a relationship of confidence and trust with respect to any information of a confidential or secret nature that may be disclosed to Executive by or on behalf of the Company or any of its Affiliates that (a) relates to the business of the Company, its Affiliates, its customers and suppliers, as well as other entities or individuals on whose behalf Executive or the Company has agreed or may, during the Employment Period, agree to hold information in confidence or (b) is otherwise produced or acquired by or on behalf of the Company or any of its Affiliates, including, in addition to the information itself, all files, letters, memoranda, reports, records, data or other written, reproduced or other tangible manifestations pertaining to the information ("Proprietary Information").

3.3 **Confidentiality**. (a) During the Employment Period and after any termination of Executive's employment hereunder, Executive agrees to keep and hold all Proprietary Information in strict confidence and trust, and agrees that Executive will not directly or indirectly

use or disclose any of such Proprietary Information, except as may be necessary: (i) to perform Executive's duties as an employee of the Company for the benefit of the Company, or (ii) to comply with a court order to disclose such Proprietary Information. Executive agrees to return all Proprietary Information to the Company upon the termination of Executive's employment with the Company, or any request by the Company subsequent to such termination, without retaining any copies, notes or excerpts thereof.

(b) The Company will have the right to communicate with any future or prospective employer of Executive concerning Executive's continuing obligations under this Section 3.4

3.4 **Non-Solicitation**. During the Employment Period and for a period of twelve (12) months following termination of the Employment Period (the "Restricted Period"), Executive will not, directly or indirectly, solicit, induce or in any manner encourage (a) any independent contractor, agent or business partner of the Company or any Affiliate of the Company or any employee of the Company or any Affiliate of the Company during the Restricted Period, to leave the employ of the Company or any Affiliate of the Company or otherwise terminate his or his relationship with the Company or any Affiliate of the Company or to enter into an independent contractor, agency, or business partner relationship with any business that competes with the business of the Company or withdraw in any way from any existing relationship with the Company or any Affiliate of the Company, as the case may be, or (b) any manufacturer, vendor, supplier or customer of the Company or any Affiliate of the Company to terminate its relationship or reduce its level of business with the Company or such Affiliate of the Company, as the case may be. In addition, during the Restricted Period, Executive will not, directly or indirectly, hire any individual who was an employee of or independent contractor to the Company or any Affiliate of the Company at any time within twelve (12) months immediately preceding the date of the termination of the Employment Period.

3.5 **Non-Disparagement**. During the Restricted Period, neither party will, directly or indirectly, make any oral or written statement or publication with respect to the other party or any Affiliate of such party or any of their respective shareholders, directors, officers, employees or lenders which disparages or denigrates, or could reasonably be interpreted as, disparaging or denigrating, such other party or its Affiliates or any of their respective shareholders, directors, officers, employees or lenders.

IV. MISCELLANEOUS

4.1 **Successors and Assigns**. The provisions of this Agreement will inure to the benefit of, and will be binding upon, the Company, its successors and assigns, and Executive, the personal representative of his estate and his heirs and legatees. This Agreement and any rights and obligations of Executive hereunder may not be assigned or delegated by Executive without the Company's prior written consent, and any such purported assignment without such consent will be null and void.

4.2 **Notices**. Any and all notices, demands or other communications required or permitted to be given hereunder by any party will be in writing and will be deemed to have been validly given or made to another party (i) upon receipt, when delivered personally; (ii) five (5)

days after being sent by United States certified mail, return receipt requested; or (iii) one day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses for such notices, demands or other communications will be those set forth on the signature page hereto for the respective party.

4.3 **Governing Document**. This Agreement, constitutes the entire agreement and understanding of the Company and Executive with respect to the terms and conditions of Executive's employment with the Company and the payment of severance benefits and supersedes all prior and contemporaneous written or verbal agreements and understandings between Executive and the Company relating to employment, compensation, benefits, severance or any other subject matter hereof.

4.4 **Amendments**. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, waiver, modification or discharge is agreed to in writing signed by the Executive and a duly authorized officer of the Company other than Executive.

4.5 **Governing Law**. The provisions of this Agreement will be construed and interpreted under the laws of Texas applicable to agreements executed and to be wholly performed within Texas.

4.6 **Remedies**. All rights and remedies provided pursuant to this Agreement or by law will be cumulative, and no such right or remedy will be exclusive of any other. A party may pursue any one or more rights or remedies hereunder or may seek damages or specific performance in the event of another party's breach hereunder or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

4.7 **Withholding**. The Company will deduct and withhold from all amounts payable to Executive under this Agreement any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4.8 **Section 409A**. All payments to which the Executive may be entitled under a "nonqualified deferred compensation plan" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")) are intended to comply with the requirements of Section 409A, and shall be interpreted in accordance therewith. Unless otherwise expressly provided, any payment of compensation by the Company to the Executive, whether pursuant to this Agreement or otherwise, shall be made by the 15th day of the third month after the end of the calendar year in which the Executive's right to such payment is no longer subject to a substantial risk of forfeiture (for purposes of Section 409A). Neither party, individually or jointly, may accelerate or defer any deferred payment, except in compliance with Section 409A, and no amount shall be paid prior to the earliest date on which it is permitted to be paid under Section 409A. Notwithstanding the foregoing, nothing in this Section 4.8 shall create any obligation by the Company to Executive should any payment under this Section 4.8 fail to satisfy Section 409A.

4.9 **Certain Interpretive Matters**. Unless the context otherwise requires, (i) all references to Sections, Articles or Schedules are to be Sections, Articles and Schedules of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) the term "including" means "including without limitation," (v) all reference to $ or dollar amounts will be to lawful currency of the United States and (vi) to the extent the term "day" or "days" is used, it will mean calendar days. No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

4.10 **Disclosure**. Neither party will make any public announcement or disclosure relating to the subject matter of this Agreement without the prior written approval of the other party, which consent may be granted or withheld in such other party's sole discretion.

4.11 **COUNTERPARTS**. THIS AGREEMENT MAY BE EXECUTED IN MORE THAN ONE COUNTERPART, EACH OF WHICH WILL BE DEEMED AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.

In Witness Whereof, the parties have executed this Agreement as of the day and year written above.

Chuy's Opco, Inc.

By: /s/ Jose Ferreira
Name: Jose "Joe" Ferreira, Jr.
Title: Non-Executive Chairman of the Board
Address: 1623 Toomey Road
Austin, Texas 78704
Attention: John Zapp and Sharon Russell
Phone: (512) 473-2783
Facsimile:

Steve Hislop

/s/ Steve Hislop
8608 Dolce Vita Lane
Odessa, Florida 33556
Phone: 615-351-8429

ADDENDUM to the EMPLOYMENT AGREEMENT

This Addendum to the Employment Agreement (the "Agreement") dated as of July 9, 2007, is made between Chuy's Opco, Inc., a Delaware corporation (the "Company"), and Steve Hislop, an individual with a principal place of residence located at 1623 Toomey Road, Austin, Texas 78704 ("Executive").

Steve Hislop has elected to purchase 280,000 shares of the Company's capital stock at the initiation of this agreement at a price of $1.00 a share. Payment is due upon Executive's sale of his Florida residence. These shares will be owned by the Executive but held by the company. The Company has the exclusive right to repurchase the shares from the Executive, within twelve (12) months of the termination of Executive's Employment, at fair market value.

In Witness Whereof, the parties have executed this Agreement as of the day and year written above.

Chuy's Opco, Inc.

By: /s/ Jose Ferreira
Name: Jose "Joe" Ferreira, Jr.
Title: Non-Executive Chairman of the Board
Address: 1623 Toomey Road
Austin, Texas 78704
Attention: John Zapp and Sharon Russell
Phone: (512) 473-2783
Facsimile:

Steve Hislop

/s/ Steve Hislop
8608 Dolce Vita Lane
Odessa, Florida 33556
Phone: 615-351-8429

ADDENDUM to the EMPLOYMENT AGREEMENT

This Addendum to the Employment Agreement (the "Agreement") dated as of July 25, 2007, is made between Chuy's Opco, Inc., a Delaware corporation (the "Company"), and Steve Hislop, an individual with a principal place of residence located at 1623 Toomey Road, Austin, Texas 78704 ("Executive").

The Executive has requested and the company has agreed to modify the following paragraph in his employment agreement:

"(b) The Executive will be reimbursed for reasonable out-of-pocket moving expenses (Full move: pack and unpack) and duplicate housing costs incurred by Executive in connection with Executive's relocation from Tampa, Florida to the Austin, Texas area. Company will reimburse Executive for the lower of the two home mortgage payments he incurs for up to 6 months. If Executive does not sell his Florida home in 6 months, payment may be extended monthly by Chairman of Board. These expenses need to be pre-approved by the company."

The modification is as follows:

"(b) The Executive will be reimbursed for reasonable out-of-pocket moving expenses (Full move: pack and unpack) and duplicate housing costs incurred by Executive in connection with Executive's relocation from Tampa, Florida to the Austin, Texas area. Company will reimburse Executive for the lower of the two home mortgage payments he incurs for up to 6 months. If Executive does not sell his Florida home in 6 months, payment will be extended for up to 6 months. These additional payments will be accounted for as an advance to the executive and will be repaid by the executive upon the sale of his home. The company reserves the right to recover these payments from the executive's future compensation. These expenses need to be pre-approved by the company."

In Witness Whereof, the parties have executed this Agreement as of the day and year written above.

Chuy's Opco, Inc.

By: /s/ Jose Ferreira
Name: Jose "Joe" Ferreira, Jr.
Title: Non-Executive Chairman of the Board
Address: 1623 Toomey Road
Austin, Texas 78704
Attention: John Zapp and Sharon Russell
Phone: (512) 473-2783

Steve Hislop

/s/ Steve Hislop
8608 Dolce Vita Lane
Odessa, Florida 33556
Phone: 615-351-8429

December 18, 2008

Steve Hislop
1623 Toomey Road
Austin, Texas 78704

Re: Section 409A Compliance

Dear Steve:

As you may know, a relatively new tax provision, Section 409A of the Internal Revenue Code, along with its accompanying rules and regulations, has imposed rules relating to the taxation of deferred compensation. The rules cover all non-qualified deferred compensation plans and arrangements, including certain amounts to which you are, or may become, entitled under your employment agreement dated as of July 9, 2007 with Chuy's Opco, Inc. (the "Company") (your employment agreement, the "Employment Agreement"). A failure to comply with the requirements under Section 409A may result in adverse tax penalties to you, including accelerated taxation of all amounts subject to Section 409A, a 20% income tax penalty, and possible interest penalties on such amounts (in some cases, even if you do not actually receive the amounts).

In order to bring your Employment Agreement in documentary compliance with Section 409A, the Company is proposing to amend your Employment Agreement in the manner set forth below. **You must sign and return the attached to us no later than December 30, 2008. Your failure to timely execute and return this amending letter agreement may result in violation of Section 409A.**

The Company and Steve Hislop (the "Executive") hereby agree as follows:

1. Section 1.4(b) of the Employment Agreement is hereby deleted in its entirety.

2. Section 4.8 of the Employment Agreement is hereby amended by adding the following: "(a)" immediately after the heading "Section 409A." in the first line of Section 4.8, and by adding the following language at the end of Section 4.8:

   (b) No payment of deferred compensation within the meaning of Section 409A that would otherwise be paid, and no benefit that constitutes deferred compensation that would otherwise be provided, upon a termination of employment will be made or provided, as the case may be, unless and until such termination of employment also constitutes a separation from service within the meaning of Section 409A.

   (c) Notwithstanding any provisions of this Agreement to the contrary, if the Executive is a "specified employee" (within the meaning of Section 409A and determined pursuant to policies adopted by the Company) on his date of termination and if any portion of the payments or benefits to be

received by the Executive upon separation from service would be considered deferred compensation under Section 409A, amounts of deferred compensation that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the date of termination and benefits that constitute deferred compensation that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Executive's date of termination will instead be paid or made available on the earlier of (i) the first day of the seventh month following the date of the Executive's date of termination and (ii) the Executive's death.

(d) The reimbursement of expenses and the provision of in-kind benefits under any provisions of this Agreement will be subject to the following:

(i) The amounts eligible for reimbursement, or the in-kind benefits provided, during any calendar year may not affect the expenses eligible for reimbursement, or the in-kind benefits provided, in any other calendar year;

(ii) Any reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(iii) The Executive's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit.

(e) Each payment made under this Agreement will be considered a separate payment and not one of a series of payments for purposes of Section 409A.

This letter agreement will constitute an amendment to your Employment Agreement. Other than as provided herein, all other terms and conditions of your Employment Agreement will continue to be in full force and effect.

In Witness Whereof, the parties have executed this Agreement as of December 18, 2008.

Chuy's Opco, Inc.

By: /s/ Jose Ferreira
Name: Jose "Joe" Ferreira, Jr.
Title: Non-Executive Chairman of the Board

Steve Hislop

/s/ Steve Hislop

CHUY'S HOLDINGS, INC.
2006 STOCK OPTION PLAN

1. **Purpose**. The purpose of this Chuy's Holdings, Inc. 2006 Stock Option Plan is to attract and retain key employees for Chuy's Holdings, Inc., a Delaware corporation, and its Subsidiaries (as defined below) and to provide to such persons incentives and rewards for superior performance.

2. **Definitions**. As used in this Plan,

"Affiliate" means any Person which directly or indirectly controls, is controlled by, or is under common control with such Person.

"Board" means the Board of Directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Section 11 of this Plan, such committee (or subcommittee).

"Change of Control" has the meaning provided in Section 7 of this Plan.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Common Stock" means the shares of common stock, par value $0.01 per share, of the Company or any security into which such shares of common stock may be changed by reason of any transaction or event of the type referred to in Section 6 of this Plan.

"Company" means Chuy's Holdings, Inc., a Delaware corporation.

"Date of Grant" means the date specified by the Board on which a grant of Option Rights shall become effective (which date shall not be earlier than the date on which the Board takes action with respect thereto).

"Director" means a member of the Board.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

"Incentive Stock Options" means Option Rights that are intended to qualify as "incentive stock options" under Section 422 of the Code or any successor provision.

"Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan at the discretion of the Board, for Participants who have received grants of Option Rights pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of the Subsidiary, division, department, region or function within the Company or Subsidiary in which the Participant is employed. The Management Objectives may be made relative to the performance of other corporations.

If the Board determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Board may in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as the Board deems appropriate and equitable.

"Market Value per Share" means, as of any particular date, the fair market value of the shares of Common Stock as determined by the Board.

"Optionee" means the optionee named in an agreement evidencing an outstanding Option Right.

"Option Price" means the purchase price payable on exercise of an Option Right.

"Option Right" means the right to purchase shares of Common Stock upon exercise of an option granted pursuant to Section 4 of this Plan.

"Participant" means a person who is selected by the Board to receive benefits under this Plan and who is at the time an officer or other employee of the Company or any one or more of its Subsidiaries, or who has agreed to commence serving in any of such capacities within 90 days of the Date of Grant who receives an award of Option Rights.

"Person" means any individual, sole proprietorship, partnership, corporation, limited liability company, unincorporated society or association, trust or other entity.

"Plan" means Chuy's Holdings, Inc. 2006 Stock Option Plan.

"Spread" means the excess of the Market Value per Share on the date when Option Rights are surrendered in payment of the Option Price of other Option Rights, over the Option Price provided for in the related Option Right.

"Subsidiary" means a corporation, company or other entity (i) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, limited liability company, joint venture or unincorporated association), but more than fifty percent (50%) of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company except that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which at the time the Company owns or controls, directly or indirectly, more than fifty percent (50%) of the total combined voting power represented by all classes of stock issued by such corporation.

"Ten Percent Employee" means an employee of the Company or any of its Subsidiaries who owns Common Stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company.

"Voting Power" means at any time the total votes relating to the then-outstanding securities entitled to vote generally in the election of Directors.

3. **Shares Available Under this Plan**. (a) Subject to adjustment as provided in Section 3(b) and Section 6 of this Plan, the number of shares of Common Stock that may be issued or transferred (i) upon the exercise of Option Rights or Appreciation Rights, (ii) in payment of dividend equivalents paid with respect to awards made under this Plan shall not exceed in the aggregate 10% of the outstanding Common Stock of the company as of the effective date (2,772,222 shares of Common Stock), plus any shares described in Section 3(b). Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(b) The number of shares available in Section 3(a) above shall be adjusted to account for shares relating to awards that expire, are forfeited or are transferred, surrendered or relinquished upon the payment of any Option Price by the transfer to the Company of shares of Common Stock or upon satisfaction of any withholding amount. Upon payment in cash of the benefit provided by any award granted under this Plan, any shares that were covered by that award shall again be available for issue or transfer hereunder.

(c) Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment as provided in Section 6 of this Plan, the aggregate number of shares of Common Stock actually issued or transferred by the Company upon the exercise of Incentive Stock Options shall not exceed 2,772,222 shares of Common Stock.

4. **Option Rights**. The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of options to purchase shares of Common Stock. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements contained in the following provisions:

(a) Each grant shall specify the number of shares of Common Stock to which it pertains subject to the limitations set forth in Section 3 of this Plan.

(b) Each grant shall specify an Option Price per share. The Option Price of an Option Right may not be less than 100% of the Market Value per Share on the Date of Grant, except that with respect to Incentive Stock Options issued to a Ten Percent Employee, the Option Price of an Incentive Stock Option may not be less than 110% of the Market Value per Share on the Date of Grant.

(c) Each grant shall specify whether the Option Price shall be payable (i) in cash or by check acceptable to the Company, (ii) by the actual or constructive transfer to the Company of shares of Common Stock owned by the Optionee for at least 6 months (or other consideration authorized pursuant to Section 4(d)) having a value at the time of exercise equal to the total Option Price, (iii) by a combination of such methods of payment, or (iv) in such other form of consideration as is deemed acceptable by the Board.

(d) Any grant may provide for deferred payment of the Option Price from the proceeds of sale through a broker on a date satisfactory to the Company of some or all of the Common Shares to which such exercise relates.

(e) Any grant may provide for payment of the Option Price, at the election of the Optionee, in installments, with or without interest, upon terms determined by the Board.

(f) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

(g)

(i) Each grant shall specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that is necessary before the Option Rights or installments thereof will become exercisable and may provide for the earlier exercise of such Option Rights in the event of a Change of Control.

(ii) Notwithstanding the foregoing, any grant of Options may provide for the immediate exercisability of the Options, subject to the additional restrictions described in this paragraph (g)(ii). Shares of Common Stock so acquired may not be transferred, sold, pledged, exchanged, assigned, or otherwise encumbered or disposed of by the Optionee, except to the Company, until they have become vested in accordance with a vesting schedule set forth in the agreement evidencing the grant. Should the Optionee cease providing services to the Company while holding shares of Common Stock that have not become vested, the Company shall have the right to repurchase, at the Option Price paid per share, any or all of those unvested Option shares. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Board and set forth in the document evidencing such repurchase right. Unless otherwise directed by the Board, all certificates representing unvested shares of Common Stock shall be held in custody by the Company until all restrictions thereon have lapsed, together with a stock power or powers, executed by the Optionee in whose name such certificates are registered, endorsed in blank and covering such shares of Common Stock.

(h) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights.

(i) Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) options that are not intended so to qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(j) The Board may, at or after the Date of Grant of any Option Rights (other than Incentive Stock Options), provide for the payment of dividend equivalents to the Optionee on either a current or deferred or contingent basis or may provide that such equivalents shall be credited against the Option Price.

(k) No Option Right shall be exercisable more than 10 years from the Date of Grant (5 years with respect to Incentive Stock Options granted to a Ten Percent Employee).

(l) The Board reserves the discretion after the Date of Grant to provide for (i) the payment of a cash bonus at the time of exercise; (ii) the availability of a loan at exercise; or (iii) the right to tender in satisfaction of the Option Price nonforfeitable, unrestricted Common Shares, which are already owned by the Optionee and have a value at the time of exercise that is equal to the Option Price.

(m) Each grant of Option Rights shall be evidenced by an agreement executed on behalf of the Company by an officer and delivered to the Optionee and containing such terms and provisions, consistent with this Plan, as the Board may approve.

5. **Transferability**. (a) Except as otherwise determined by the Board, no Option Right granted under this Plan shall be transferable by a Participant other than by will or the laws of descent and distribution. Except as otherwise determined by the Board, Option Rights shall be exercisable during the Optionee's lifetime only by him or her or by his or her guardian or legal representative.

(b) The Board may specify at the Date of Grant that part or all of the shares of Common Stock that are to be issued or transferred by the Company upon the exercise of Option Rights shall be subject to further restrictions on transfer.

6. **Adjustments**. The Board may make or provide for such adjustments in the numbers of shares of Common Stock covered by outstanding Option Rights granted hereunder, in the Option Price, and in the kind of shares covered thereby, as the Board, in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change of Control, the Board, in its discretion, may provide in substitution for any or all outstanding awards under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards so replaced. The Board may also make or provide for such adjustments in the number of shares specified in Section 3 of this Plan as the Board in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Section 6; provided, however, that any such adjustment to the number specified in Section 3(c) shall be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an Incentive Stock Option to fail so to qualify.

7. **Change of Control**. For purposes of this Plan, except as may be otherwise prescribed by the Board in an agreement evidencing a grant made under the Plan, a "Change of Control" shall mean if at any time any of the following events shall have occurred:

(a) The Company is merged or consolidated or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of shares of Common Stock outstanding immediately prior to such transaction;

(b) The Company sells or otherwise transfers all or substantially all of its assets to any other corporation (other than a Subsidiary) or other legal person, and less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such sale or transfer is held in the aggregate by the holders of shares of Common Stock outstanding immediately prior to such sale or transfer;

(c) If Goode Chuy's Holdings LLC together with its Affiliates cease for any reason other than a public offering of the Company's equity securities to own a majority of the combined voting power of the outstanding securities of the Company;

(d) If, at any time after any public offering of any of the Company's equity securities, any "person" (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) becomes a "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities; or

(e) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company.

8. **Fractional Shares**. The Company shall not be required to issue any fractional shares of Common Stock pursuant to this Plan. The Board may provide for the elimination of fractions or for the settlement of fractions in cash.

9. **Withholding Taxes**. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Company and a Participant or such other person may also make similar arrangements with respect to the payment of any taxes with respect to which withholding is not required.

10. **Foreign Employees**. In order to facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate

officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

11. **Administration of this Plan.** (a) This Plan shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to a committee of the Board (or subcommittee thereof) consisting of not less than two Directors appointed by the Board. A majority of the committee (or subcommittee) shall constitute a quorum, and the action of the members of the committee (or subcommittee) present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the committee (or subcommittee). To the extent of any such delegation, references in this Plan to the Board shall be deemed to be references to any such committee or subcommittee.

(b) The interpretation and construction by the Board of any provision of this Plan or of any agreement, notification or document evidencing the grant of Option Rights and any determination by the Board pursuant to any provision of this Plan or of any such agreement, notification or document shall be final and conclusive. No member of the Board shall be liable for any such action or determination made in good faith.

12. **Amendments, Etc.** (a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that any amendment which must be approved by the stockholders of the Company in order to comply with applicable law shall not be effective unless and until such approval has been obtained. Presentation of this Plan or any amendment hereof for stockholder approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans without stockholder approval.

(b) The Board may, with the concurrence of the affected Participant, cancel any agreement evidencing Option Rights granted under this Plan. In the event of such cancellation, the Board may authorize the granting of new Option Rights or other such awards under this Plan (which may or may not cover the same number of shares of Common Stock that had been the subject of the prior award) in such manner, at such Option Price and subject to such other terms, conditions and discretions as would have been applicable under this Plan had the canceled Option Rights or other awards not been granted.

(c) The Board also may permit Participants to elect to defer the issuance of shares of Common Stock or the settlement of awards in cash under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan. The Board also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferred amounts.

(d) The Board may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(e) In case of termination of employment by reason of death, disability or normal or early retirement, or in the case of hardship or other special circumstances, of a Participant who holds an Option Right not immediately exercisable in full, the Board may, in its sole discretion, accelerate the time at which such Option Right may be or may waive any other limitation or requirement under any such award.

(f) This Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor shall it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(g) To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision shall be null and void with respect to such Option Right. Such provision, however, shall remain in effect for other Option Rights and there shall be no further effect on any provision of this Plan.

(h) Any grant of Option Rights may require, as a condition to the exercise, grant or sale thereof, that the Participant agree to be bound by a repurchase right or right of first refusal in favor of the Company upon the occurrences of certain specified events.

(i) Any grant of Option Rights may require, as a condition to the exercise, grant or sale thereof, that the Participant agree to be bound by (i) any stockholders agreement among all or certain stockholders of the Company that may be in effect at the time of exercise, grant or sale or certain provisions of any such agreement that may be specified by the Company or (ii) any other agreement requested by the Company.

13. **Termination**. No grant shall be made under this Plan more than 10 years after the date on which this Plan is first approved by the stockholders of the Company, but all grants made on or prior to such date shall continue in effect thereafter subject to the terms thereof and of this Plan.

14. **Section 409A of the Code**. To the extent applicable, it is intended that this Plan comply with the provisions of Section 409A of the Code. This Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant or Optionee).

Exhibit 10.7

, 2011

CHUY'S HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

Name of Optionee:

Date of Grant:

Expiration Date:

Number of Option Shares:

Option Price:

Right to Exercise: The Option in respect of one-fifth (1/5) or 20.0% of the shares shall become exercisable on each of the first five anniversaries of the Date of Grant, if the Optionee remains in the continuous employment of the Company through such dates.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

CHUY'S HOLDINGS, INC.

Jose "Joe" Ferreira, Jr.
Treasurer

Optionee:

Address:

THIS AGREEMENT SHALL BE VOID IF IT HAS NOT BEEN EXECUTED AND RETURNED TO THE COMPANY WITHIN 30 DAYS AFTER THE DATE OF GRANT.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS OPTION AGREEMENT AND THE SECURITIES UNDERLYING THIS OPTION AGREEMENT MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS SUCH SALE, PLEDGE, HYPOTHECATION, TRANSFER, OR OTHER DISPOSITION SHALL HAVE BEEN REGISTERED UNDER SAID ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR UNTIL THE COMPANY SHALL HAVE RECEIVED A LEGAL OPINION SATISFACTORY IN FORM AND SUBSTANCE TO THE COMPANY, THAT SUCH SECURITIES MAY BE LEGALLY SOLD OR OTHERWISE TRANSFERRED WITHOUT SUCH REGISTRATION AND COMPLIANCE.

OPTIONEE HEREBY AGREES THAT ALL OPTION SHARES ACQUIRED UPON THE EXERCISE OF THIS OPTION SHALL BE SUBJECT TO CERTAIN REPURCHASE RIGHTS AND RIGHTS OF FIRST REFUSAL EXERCISABLE BY THE COMPANY AND ITS ASSIGNS. THE TERMS OF SUCH RIGHTS ARE SPECIFIED IN THIS STOCK OPTION AGREEMENT.

CHUY'S HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

This AGREEMENT (the "Agreement") is made as of the date of grant on the cover page hereof (the "Date of Grant") by and between Chuy's Holdings, Inc., a Delaware corporation (the "Company"), and the individual named on the cover page hereto (the "Optionee").

1. **Grant of Stock Option**. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Company's 2006 Stock Option Plan (the "Plan"), the Company hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase the number of shares of the Company's Common Stock, $0.01 par value per share, shown on the cover page hereof (the "Option Shares"). The Option may be exercised from time to time in accordance with the terms of this Agreement. The price at which the Option Shares may be purchased pursuant to this Option shall be as set forth on the cover page hereof subject to adjustment as hereinafter provided (the "Option Price"). The Option is intended to be a non-qualified stock plan and shall not be treated as an "incentive stock option" within the meaning of that term under Section 422 of the Code, or any successor provision thereto; this Agreement shall be construed in a manner that will effectuate such intent.

2. **Term of Option**. The term of the Option shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 6 hereof, shall expire ten (10) years from the Date of Grant.

3. **Right to Exercise**. Subject to the expiration or earlier termination of this Option in accordance with its terms, this Option shall become exercisable as set forth on the

cover page hereof. To the extent the Option is exercisable, it may be exercised in whole or in part. In no event shall the Optionee be entitled to acquire a fraction of one Option Share pursuant to this Option. The Optionee shall be entitled to the privileges of ownership with respect to Option Shares purchased and delivered to him upon the exercise of all or part of this Option.

The Company may require, as a condition to the exercise of this Option, that the Optionee agree to be bound by any shareholders agreement among all or certain shareholders of the Company that may then be in effect, or certain provisions of any such agreement that may be specified by the Company, either in addition to or in lieu of the provisions of Section 8 hereof (as determined by the Company).

4. **Option Nontransferable**. The Option granted hereby shall be neither transferable nor assignable by the Optionee except by will or by the laws of descent and distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

5. **Notice of Exercise; Payment**. To the extent then exercisable, the Option may be exercised by written notice to the Company stating the number of Option Shares for which the Option is being exercised and the intended manner of payment. The date of such notice shall be the exercise date. Payment equal to the aggregate Option Price of the Option Shares for which the Option is being exercised shall be tendered in full with the notice of exercise to the Company in cash in the form of currency or check or other cash equivalent acceptable to the Company. The Optionee may also tender the Option Price by (a) the actual or constructive transfer to the Company of nonforfeitable, nonrestricted Common Shares that have been owned by the Optionee for more than six months prior to the date of exercise, or (b) by any combination of the foregoing methods of payment, including a partial tender in cash and a partial tender in nonforfeitable, nonrestricted Common Shares. Nonforfeitable, nonrestricted Common Shares that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their fair market value per Common Share as determined by the Board. As a further condition precedent to the exercise of this Option, the Optionee shall comply with all regulations and requirements of any regulatory authority having control of, or supervision over, the issuance of Common Shares and in connection therewith shall execute any documents which the Board or a Committee thereof shall in its sole discretion deem necessary or advisable. The requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to the Company with a bank or broker that is a member of the National Association of Securities Dealers, Inc. to sell on the exercise date a sufficient number of Option Shares that are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price plus payment of any applicable withholding taxes, and pursuant to which the bank or broker undertakes to deliver to the Company the amount of the aggregate Option Price plus payment of any applicable withholding taxes.

6. **Termination of Agreement**. This Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

(a) One year after the Optionee's death or permanent and total disability, if the Optionee dies or becomes permanently and totally disabled while in the employ of the Company;

(b) Except as provided on a case-by-case basis, thirty (30) calendar days after the Optionee ceases to be an employee, advisor, or consultant of the Company and its Subsidiaries for any reason other than as described in Section 6(a) hereof; or

(c) Ten years from the Date of Grant.

In the event that the Optionee's employment is terminated for cause, this Agreement shall terminate at the time of such termination notwithstanding any other provision of this Agreement. For purposes of this provision, "cause" shall mean the Optionee shall have committed prior to termination of employment any of the following acts:

(i) an act of fraud, embezzlement, theft, or any other material violation of law or commission of a crime involving moral turpitude in connection with the Optionee's duties or in the course of the Optionee's employment;

(ii) intentional wrongful damage to material assets of the Company;

(iii) wrongful disclosure of material confidential information of the Company;

(iv) wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty; or

(v) gross negligence or willful misconduct resulting in a breach of any stated material employment policy of the Company.

This Agreement shall not be exercisable for any number of Option Shares in excess of the number of Option Shares for which this Agreement is then exercisable, pursuant to Section 3 or 7 hereof, on the date of termination of employment. For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his or her employment among the Company and its Subsidiaries or a leave of absence of not more than thirty (30) days unless otherwise approved by the Board.

7. **Effect of Certain Transactions**. In the event of a Change of Control of the Company, this Option (or portion thereof that has not become exercisable before such Change in Control) will become immediately exercisable as of the date of such Change of Control, and the Board or the board of directors of any entity assuming the obligations of the Company hereunder, shall, as to outstanding options under the Plan, either (a) provide for the assumption of this Option or the substitution for this Option of a new stock option of the successor person or entity or a parent or subsidiary thereof, with appropriate adjustment as to the number and kind of shares and the per share exercise price, as provided in Section 12 of this Agreement; or (b) vest and terminate all options in exchange for a cash payment equal to

the excess of the Market Value per Share of the shares subject to such options over the exercise price thereof. In the event of any such transaction, the Company shall give to the Optionee written notice thereof at least ten (10) days prior to the effective date of such transaction. Until such effective date, the Optionee may exercise any portion of this Option that is or becomes vested on or prior to such effective date, but after such effective date the Optionee may not exercise this Option unless it is assumed or substituted by the successor entity (or a parent or subsidiary thereof) as provided above. Notwithstanding the foregoing, any initial public offering of the Company's capital stock under the Securities Act of 1933, as amended, will not constitute a Change of Control.

8. **Company's Right of Repurchase**.

(a) **Exercise of Right.** The Company shall have the right (the "Repurchase Right") to repurchase some or all of the Option Shares which the Optionee has elected to exercise from the Optionee, upon the occurrence of any of the events specified in Section 8(b) below (the "Repurchase Event"). The Repurchase Right may be exercised by the Company within 180 days following the date of such event (the "Repurchase Period"). The Repurchase Right shall be exercised by the Company by giving the holder written notice on or before the last day of the Repurchase Period of its intention to exercise the Repurchase Right, and, together with such notice, tendering to the holder an amount equal to the Fair Market Value of the shares, determined as provided in Section 8(c). The Company shall be entitled to pay by note if prohibited from paying cash under its loan agreements. The Company may assign the Repurchase Right to one or more persons. Upon exercise of the Repurchase Right in the manner provided in this Section 8(a), the Optionee shall deliver to the Company the stock certificate or certificates representing the Option Shares being repurchased, duly endorsed and free and clear of any and all liens, charges, and encumbrances.

If Option Shares are not purchased under the Repurchase Right, the Optionee and his or her successor in interest, if any, will hold any such shares in his or her possession subject to all of the provisions of this Section 8 .

(b) **Company's Right to Exercise Repurchase Right.** The Company shall have the Repurchase Right in the event that any of the following events shall occur:

(i) The termination of the Optionee's employment with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including without limitation upon death, disability, retirement, discharge, or resignation for any reason, whether voluntary or involuntarily; or

(ii) The (x) filing of a voluntary petition under any bankruptcy or insolvency law, or a petition for the appointment of a receiver or the making of an assignment for the benefit of creditors, with respect to the Optionee, or (y) the Optionee being subjected involuntarily to a petition or assignment or to an attachment or other legal or equitable interest with respect to his or her assets, which involuntary petition or assignment or attachment is not discharged within 60 days after its date, or

(z) the Optionee being subject to a transfer of Option Shares by operation of law, except by reason of death.

(c) Company's Right to Exercise Repurchase Right in Case of Termination For Cause. Not withstanding section 8(b), if employee is terminated for Cause (as defined herein or under their employment agreement), the Company shall have the Right to Repurchase exercised shares at the lower of cost or Fair Market Value.

(d) **Determination of Fair Market Value.** For purposes of this Section 8, the Fair Market Value of the Option Shares shall be determined as of the date of the Repurchase Event by the Board.

(e) **Expiration of Company's Repurchase Right.** The Repurchase Right shall remain in effect until the closing of an Initial Public Offering.

9. **No Employment Contract**. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

10. **Taxes and Withholding**. To the extent that the Company shall be required to withhold any federal, state, local, or foreign taxes in connection with the exercise of the Option, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the exercise of the Option that the Optionee shall pay such taxes or make provisions that are satisfactory to the Company for the payment thereof. The Company will pay any and all issue and other taxes in the nature thereof which may be payable by the Company in respect of any issue or delivery upon a purchase pursuant to this Option.

11. **Compliance with Law**. Notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any applicable federal or state securities law.

12. **Adjustments**. The Board may make or provide for such adjustments in the Option Price and in the number or kind of shares or other securities covered by outstanding Options as the Board in its sole discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Optionees that would otherwise result from any (a) stock dividend, stock split, combination of shares, recapitalization, or other change in the capital structure of the Company, (b) merger, consolidation, separation, reorganization, partial or complete liquidation, issuance of rights or warrants to purchase stock, or (c) other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Board, in its discretion, may provide in substitution for any or all outstanding Options under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Options so replaced.

13. **Availability of Common Shares**. The Company shall at all times until the expiration of the Option reserve and keep available, either in its treasury or out of its

authorized but unissued Common Shares, the full number of Option Shares deliverable upon the exercise of this Option.

14. **Lock-Up Agreement**. The Optionee agrees that, if requested by the Company in connection with an Initial Public Offering, the Optionee will not sell, offer for sale, or otherwise dispose of the Option Shares for such period of time as is determined by the Board, provided that at least of the majority of the Company's Directors and officers who hold Options or Common Shares at such time are similarly bound.

15. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

16. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

17. **Relation to Plan**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Board acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with this Option or its exercise.

18. **Successors and Assigns**. Without limiting Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives, and assigns of the Optionee, and the successors and assigns of the Company.

19. **Governing Law**. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

20. **Notices**. Any notice to the Company provided for herein shall be in writing to the Company, marked Attention: President, with a copy to Goode Partners (address for notices attached), and any notice to the Optionee shall be addressed to the Optionee at his or her address on file with the Company. Any written notice required to be given to the Company shall be deemed to be duly given only when actually received by the Company.

22. Securities Laws Compliance. The Optionee acknowledges that the Option will be held by the Optionee for investment for the Optionee's own account and not with a view to, or for, resale, transfer, or distribution. The Optionee acknowledges that the Optionee has no intention of participating directly or indirectly in a distribution of the Option. The Optionee understands that prior to exercising the Option, the Optionee shall be required to reaffirm these representations and warranties as to the Option Shares that shall be issued upon exercise.

23. **Section 409A of the Code**. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code. This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Executive).

END OF AGREEMENT

Address for Notices:

Chuy's Holdings, Inc.
1623 Toomey Road
Austin, TX 78704
Attn: President
Telecopier: (512) 473-8684

With a copy to:

Goode Partners
767 Third Avenue, 22nd Floor
New York, NY 10017
Attn: Jose "Joe" Ferreira, Jr.
Telecopier: (212) 317-2827

Exhibit 10.9

CHUY'S OPCO, INC.
c/o Goode Partners LLC
667 Madison Avenue, 21st Floor
New York, New York 10021

November 7, 2006

Three Star Management, Ltd.
1623 Toomey Road
Austin, Texas 78704
Attention: Michael R. Young / John A Zapp

Re: Development of Arbor Trails Chuy's

Gentlemen:

This letter agreement (this "Agreement") sets forth our mutual understanding with respect to the proposed development of the Arbor Trails Chuy's (as defined herein) and is delivered pursuant to the terms of that certain Asset Purchase Agreement dated as of the date hereof (the "Purchase Agreement"), by and among the undersigned (the "Company"), Three Star Management, Ltd. ("Developer") and the other parties thereto. Capitalized terms used but not defined in this Agreement have the meanings assigned to them in the Purchase Agreement.

MY/ZP IP Group, Ltd., a Texas limited partnership formerly known as Chuy's-Comida Deluxe, Inc. and affiliated with Developer ("IP Group"), will assign to an affiliated Texas limited partnership to be formed (the "Landlord Entity") that certain Contract for Sale (the "Land Contract") between IP Group and CP Austin Forum 71, L.P., a Texas limited partnership ("CP Austin") for the purchase of Lot 4, Block A, Arbor Trails Subdivision, a subdivision in the City of Austin, Travis County, Texas, according to the map or plat recorded as Document Number 200500129, in the Official Public Records of Travis County (the "Land"). The Land Contract obligates CP Austin to process applications for, and use diligent efforts to obtain, the approval of all applicable governmental authorities and/or private entities so as to authorize the construction of a Chuy's restaurant on the Land (the "Arbor Trails Chuy's"). The Land is encumbered by various restrictions that regulate exterior colors, materials, signs, height and other matters pertaining to the improvements that may be built upon the Land (the "Site Restrictions").

Subject to (a) CP Austin's satisfaction of all conditions precedent under, and performance of its obligations under, the Land Contract, and (b) the Landlord Entity's receipt of all necessary approvals to build the Arbor Trails Chuy's, each of which approvals shall be in a form satisfactory to Developer, in its sole discretion (including without limitation building permits, sign permits, site development permits, curb cut

approvals, construction plan approvals and architectural approvals from all applicable governmental authorities and/or private persons or entities) and of construction bids for the construction of and installation of all fixtures, furniture and equipment in, the Arbor Trails Chuy's, all in amounts acceptable to Developer, in its sole discretion (collectively, the "Acquisition Conditions"), and with the caveat that the Site Restrictions may require modification of the exterior of the Arbor Trails Chuy's from the look of other "ground up" constructed units owned by the Seller Group and in operation as of the date hereof (the "Other Units"), Developer will take all action reasonably necessary or proper to cause the Landlord Entity to deliver the Arbor Trails Chuy's to the Company as a "turn-key" operation with the look, quality and fixtures of the completed Arbor Trails Chuy's substantially similar to the look, quality and fixtures of the Other Units, except as may be required by the Site Restrictions, all as more particularly set forth in the Lease (defined below). Developer will have the right to terminate this Agreement by notice to the Company if the Acquisition Conditions are not satisfied in Developer's sole discretion; provided, however, that if the unsatisfied Acquisition Condition(s) are unacceptable based solely on increases in the anticipated cost of delivering the Arbor Trails Chuy's in the condition required by this Agreement, and if the Company agrees to pay the excess cost in a manner reasonably satisfactory to Developer, upon mutual execution of agreements that require the Company to pay such excess cost, this Agreement will continue in force and effect. The package of furniture, fixtures and equipment to be delivered pursuant to this paragraph (the "FF&E") shall be as set forth on Annex A attached hereto.

The parties expect the Arbor Trails Chuy's to be completed on or about the third quarter of 2007, but the Company acknowledges that this is an estimate and agrees that there will be no penalty to Developer or the Landlord Entity if completion of the Arbor Trails Chuy's is delayed or accelerated. Developer or the Landlord Entity will bear all costs associated with the initial construction of the Arbor Trails Chuy's and the installation of the FF&E therein. These costs will include sales taxes, ad valorem taxes during the period of construction, permitting fees, development fees, and the costs of labor, materials and acquisition and installation of the FF&E. As among Developer, Landlord Entity and the Company, prior to the Delivery Date (defined below) the Landlord Entity will be responsible for all liability related to or arising out of the development, construction and physical condition of the Arbor Trails Chuy's. The Landlord Entity will assign to the Company all construction and FF&E warranties upon the Delivery Date and thereafter the Company will be responsible for all costs of maintenance, repair, ownership and/or occupancy of the Arbor Trails Chuy's. The Company also will be responsible for procuring all food and beverage items, all costs relating to the hiring and training of personnel or advertising related to the opening of the location, and all other costs of operating the restaurant and for all costs set forth in the Lease.

On the Delivery Date, the Landlord Entity and the Company will enter into a lease of the Land (the "Lease") in substantially the form attached hereto as Annex B. Upon substantial completion of the Arbor Trails Chuy's, the Landlord Entity will deliver to the

Company a written notice advising the Company that the Arbor Trails Chuy's is substantially complete (the "Inspection Notice") and that a certificate of occupancy has been issued by the applicable governmental authorities. The Company will have 15 Business Days from its receipt of the Inspection Notice to inspect the Arbor Trails Chuy's and to request correction of any defects in materials or workmanship ("Defects"). Following correction of any Defects, the Landlord Entity will deliver to the Company a written notice of completion of the Arbor Trails Chuy's and of tender of delivery of the Arbor Trails Chuy's (the "Completion Notice"), together with two (2) counterparts of the Lease, executed by the Landlord Entity. Within 5 Business Days following receipt of the Completion Notice, the Company will deliver to the Landlord Entity an executed counterpart to the Completion Notice (the "Acknowledgement") and one fully executed counterpart to the Lease. The Delivery Date shall occur, and rent will begin to accrue under the Lease, on the earlier of (i) the date the Company opens the Arbor Trails Chuy's for business or (ii) 5 Business Days after delivery by the Company of an executed counterpart of the Completion Notice.

Not later than 15 Business Days following the first Business Day of the seventeenth month of continuous operation of the Arbor Trails Chuy's by the Company, the Company will, or will cause its independent accounting firm to, prepare and deliver to the Developer a statement (the "Statement") setting forth the trailing 12-month store level EBITDAT for the Arbor Trails Chuy's (the " Profit Calculation"). The Profit Calculation will be prepared in a manner consistent with those accounting practices used to evaluate EBITDA for Chuy's of Shenandoah, Ltd in the financial statement and projections attached hereto as Annex C. If the Developer has any objections to the Profit Calculation, it will deliver a detailed statement (the "Statement of Objections") describing its objections to the Company within 30 calendar days of its receipt of the Statement. If the Developer fails to notify the Company of any such dispute within such 30-calendar day period, the Statement delivered to it will be deemed to be the "Final Statement." The Developer and the Company will use commercially reasonable efforts to resolve any such objections, and each party will (i) provide the other party and its Representatives with full access during normal business hours to the books and records related to the Profit Calculation and (ii) fully cooperate with all reasonable requests by the other party in connection with such party's review of the Profit Calculation, the Statement and the Statement of Objections.

If a final resolution with respect to the Profit Calculation is not obtained within 30 calendar days after the Company has received the Statement of Objections, the Developer and the Company will mutually appoint a nationally recognized accounting firm independent of the Landlord Entity, Developer and the Company (the "Accounting Referee") to review the final Profit Calculation proposed by each party (each, a 'Final Offer"). If the parties fail to select the Accounting Referee within 10 Business Days after the expiration of the 30-calendar day negotiation period, either the Landlord Entity, on behalf of itself and Developer, or the Company may request JAMS to appoint an independent firm of certified public accountants to perform the services required by the Accounting Referee.

Each party will cooperate with the Accounting Referee and provide the Accounting Referee with information reasonably requested by it and necessary to assess the final offers. The decision of the Accounting Referee as to which Final Offer is equal to or closest to the actual trailing 12-month store level profit of the Arbor Trail's Chuy's as determined by the Accounting Referee will be final and binding on all parties (the "Final Determination"). The fees and expenses of the Accounting Referee and the fees of JAMS, as applicable, will be paid by the party whose Final Offer is the furthest from the Final Determination.

Once the Profit Calculation has been finalized in accordance with the terms herein, the Company will pay to you by wire transfer of immediately available funds to a bank account designated by you an amount (the "Purchase Price") equal to the Profit Calculation multiplied by four (4). From and after the date the Company takes possession of the Arbor Trails Chuy's, except for its obligations to pay the Purchase Price, the Company will have all right, title and interest to the profits of the Arbor Trails Chuy's and will be responsible for any losses resulting from the operation of the Arbor Trails Chuy's. Title to the FF&E will transfer to the Company upon payment of the Purchase Price pursuant to an "as is" bill of sale.

Each of the Developer and the Landlord Entity will use, and cause its Affiliates to use, commercially reasonable efforts in the performance of their obligations hereunder and under the Lease, as applicable. The quality of the development services provided by Developer hereunder will be substantially equivalent to the quality of development services historically provided by you with respect to the development of the Other Units (the Company acknowledging that the obligation to obtain approvals for the development is the obligation of CP Austin and not within Developer's control).

To the maximum extent permitted by Law, Developer will indemnify, hold harmless, protect and defend (with counsel acceptable to the Company) the Company and its officers, directors, employees, agents and contractors, from and against any and all claims, demands, actions, fines, penalties, liabilities, losses, damages, injuries and expenses (including, without limitation, actual attorneys', consultants' and expert witnesses' fees and costs at the pre-trial, trial and appellate levels, on a full indemnity basis) in any manner related to, arising out of or in connection with: (a) the willful misconduct or gross negligence by the Developer, the Landlord Entity, or the agents or employees or either Developer or the Landlord Entity in the performance of Developer's obligations under this Agreement; and (b) any failure to perform Developer's obligations under this Agreement to the extent such failure was within Developer's control, and subject in all events to the Acquisition Conditions.

To the maximum extent permitted by Law, the Company will indemnify, hold harmless, protect and defend (with counsel acceptable to Developer) Developer and its officers, directors, employees, agents and contractors, from and against any and all claims, demands, actions, fines, penalties, liabilities, losses, damages, injuries and

expenses (including, without limitation, actual attorneys', consultants' and expert witnesses' fees and costs at the pre-trial, trial and appellate levels, on a full indemnity basis) in any manner related to, arising out of or in connection with any failure to perform the Company's obligations under this Agreement to the extent such failure was within the Company's control, and subject in all events to the Acquisition Conditions.

The provisions set forth in Article VIII of the Purchase Agreement are incorporated herein by reference and apply to this Agreement *mutatis mutandis.*

[Remainder of page intentionally left blank]

If this accurately reflects your understanding, please execute two copies of this Agreement.

Very truly yours

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title Vice President

ACKNOWLEDGED AND AGREED TO:

THREE STAR MANAGEMENT, LTD.

By: Three Star Management GP, LLC,
Its General Partner

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

MY/ZP IP GROUP, LTD.

By: MY/ZP IP Group GP, LLC,
Its General Partner

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

Exhibit 10.10

RECIPE LICENSE AGREEMENT

This Recipe License Agreement ("Agreement") is entered into effective as of November 7, 2006 (the "Effective Date") by and between Chuy's Opco, Inc., a Delaware corporation ("Licensor"), and MY/ZP IP Group, Ltd., a Texas limited partnership ("Licensee").

RECITALS:

A. Licensor is a party to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, by and among Licensor, MY/ZP on Hwy 183, Inc., MY/ZP of S.A. – 281, Ltd., MY/ZP of Round Rock, Ltd., MY/ZP of Shenandoah, Ltd., MY/ZP Central Texas, Ltd., MY/ZP North Lamar, Ltd., MY/ZP on McKinney, Inc., MY/ZP of River Oaks, Inc., MY/ZP IP Group, Ltd., Three Star Management, Ltd., Michael Young and John Zapp.

B. In connection with the Purchase Agreement, Licensor acquired rights in all recipes and lists of ingredients used in or held for use in the Business (as defined in the Purchase Agreement) (collectively, the "Licensor Recipes");

C. Licensee desires to obtain, and Licensor desires to grant to Licensee, a license to allow the use of certain of the Licensor Recipes, by Licensee solely for the benefit of Chuy's Boat Towne, Ltd., Shady Grove, Inc., and Lake Austin, Ltd. (collectively, the " Non-Chuy's Restaurant Group"), relating to the respective restaurant businesses conducted by the members of the Non-Chuy's Restaurant Group under the names "Hula Hut," "Shady Grove" and "Lucy's Boatyard," respectively, exclusively at the locations identified on Exhibit A (attached hereto and incorporated herein by this reference) (the "Locations"), on the terms and conditions of this Agreement.

D. All capitalized terms used but not defined herein will have the respective meanings set forth in the Purchase Agreement.

1. License Grant.

(a) *License.* Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a limited, non-exclusive, royalty-free, irrevocable, and perpetual right and license to (i) use, reproduce, modify, improve and create derivative works of the Licensor Recipes historically used by the Licensee and/or the Non-Chuy's Restaurant Group at or from the Locations up to and including the Closing Date (collectively, the "Licensed Recipes"), and (ii) to make, have made, use, sell and offer for sale any food or beverage items developed by Licensee and/or the Non-Chuy's Restaurant Group pursuant to a sublicense practicing the Licensed Recipes at or from the Locations (collectively, the "Permitted Use"). This Agreement does not permit use of the Licensed Recipes for mass-marketed, pre-packaged foods and beverages intended as a separate line of business. Licensee may make a reasonable number of copies of the Licensed Recipes consistent with the Permitted Use. Any and all rights and licenses with respect to the Licensed Recipes not expressly granted to Licensee under this Agreement are reserved by Licensor.

(b) *Limited Right to Transfer and/or Sublicense.* Except as otherwise expressly provided in this Section 1(b), Licensee may not transfer, assign or sublicense, in whole or in part, the right and license granted to Licensee pursuant to Section 1(a) with respect to the Licensed Recipes without the prior written consent of Licensor; provided, however, that Licensee may, at any time and from time to time, (i) sublicense its right and license to use the License Recipes for the Permitted Use to any member of the Non-Chuy's Restaurant Group exclusively for use at the Locations, (ii) assign its rights and obligations, in whole, under this Agreement to (1) any member of the Non-Chuy's Restaurant Group exclusively for use at the Locations or (2) upon at least ten (10) days' prior written notice to Licensor, any acquiror of all or substantially all of Licensee's assets (whether by way of merger, asset sale or otherwise) exclusively for use at the Locations, in each case, to the extent that such Person agrees in writing to be bound by and subject to the terms and conditions of this Agreement. As a condition to any sublicense permitted pursuant to clause (i) above, Licensee will require the sublicensee to comply with the provisions of this Agreement (including the Permitted Use) and Licensee will be responsible for any violation or breach of this Agreement due to the acts or omissions of such sublicensee and the failure to enter into a sublicense with any Person or entity. In addition, Licensee will include a provision in each sublicense agreement that Licensor is an intended third party beneficiary of such agreement and will have the right to enforce directly all rights of or restrictions imposed by Licensee on the sublicensee with respect to the Licensed Recipes under such agreement. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 1(b) will be void and Licensee will be liable to Licensor for any damages resulting from such attempted transfer, assignment or sublicense. For the avoidance of doubt, any unintentional breach by Licensee of its obligations under Section 3 (Confidentiality) will not be deemed a transfer, assignment or sublicense of the Licensed Recipes but will be subject to other rights and remedies available to Licensor under this Agreement.

(c) *Royalty-Free License.* The rights and licenses granted to Licensee pursuant to this Section 1 are royalty-free and fully paid up. Licensor acknowledges and agrees that Licensee has provided adequate consideration to Licensor for Licensor to enter into and perform under this Agreement.

(d) *Equitable Remedies.* Licensee acknowledges and agrees that in the event of any breach of the provisions of this Section, Licensor would suffer irreparable injury for which monetary damages would be an inadequate remedy, and, without limitation of any other rights or remedies available to Licensor, Licensor will be entitled to equitable relief, including injunctive relief, for such breach in any court of competent jurisdiction.

2. No Ownership. Licensee acknowledges and agrees that (a) Licensee is only granted a license to use the Licensed Recipes on the terms and conditions of this Agreement and (b) Licensee will not acquire any ownership in the Licensed Recipes by virtue of this Agreement. Licensor acknowledges and agrees that Licensor will not acquire any rights in any modification, improvement or other derivative work to the Licensed Recipes created by Licensee and/or any sublicensee.

3. Confidentiality. Licensee will maintain, and will cause each member of the Non-Chuy's Restaurant Group and each sublicensee to maintain, the confidentiality of the Licensed Recipes in the same manner in which Licensee treats its own recipes and lists of ingredients. In no event will Licensee make any unauthorized public disclosure of the Licensed Recipes (including any posting of the Licensed Recipes or a detailed list of ingredients of the Licensed Recipes on the Internet); provided, that reasonable disclosure of a list of ingredients in menus and other promotional materials to the extent consistent with past practice or required by law are permissible.

4. DISCLAIMERS; LIMITATIONS ON LIABILITY.

(a) THE LICENSED RECIPES ARE PROVIDED ON AN "AS IS" BASIS, WITH ALL FAULTS. LICENSOR DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO THE LICENSED RECIPES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES OF TITLE OR NON-INFRINGEMENT, OR ANY WARRANTIES THAT MAY ARISE FROM USAGE OF TRADE OR COURSE OF DEALING. LICENSOR EXPRESSLY DISCLAIMS ANY WARRANTIES NOT EXPRESSLY STATED HEREIN.

(b) IN NO EVENT WILL LICENSOR BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, OR LOSS OF TIME OR BUSINESS) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED RECIPES, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE AND REGARDLESS OF WHETHER LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) LICENSEE AGREES THAT LICENSOR'S TOTAL LIABILITY FOR DAMAGES FOR ANY CAUSE(S) WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED RECIPES, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE, SHALL BE LIMITED TO THE TOTAL AMOUNT OF TEN DOLLARS (US$10.00).

5. Default; Termination. In the event of any default under this Agreement which remains uncured thirty (30) days following receipt of written notice of such default, the non-defaulting party may terminate this Agreement upon delivery of written notice to the defaulting party. In the event this Agreement is terminated pursuant to this Section 5, Licensee will return, and will cause each sublicensee to return, (or certify the destruction of) all written copies of the Licensed Recipes and will cease further use, and will cause each sublicensee to cease further use, of the Licensed Recipes.

6. Assignability. Except as otherwise expressly provided in Section 1(b), Licensee may not assign or transfer any of its rights or obligations under this Agreement (whether

by way of merger, asset sale or otherwise) without the prior written consent of Licensor. Any attempted or actual assignment or transfer in violation of the provisions of this Section 6 will be void.

7. Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the party entitled to the benefit thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

8. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Licensor, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Chief Executive Officer

with copies to:

Goode Partners LLC
667 Madison Avenue
21st Floor
New York, New York 10021
Facsimile: 212-317-2827
Attention: David J. Oddi

and

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to the Licensee, to:

MY/ZP IP Group, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

9. Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the parties to be contained herein.

10. Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

11. Dispute Escalation and Binding Arbitration; Jurisdiction.

(a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, each of Licensor and Licensee will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute

may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 11(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 11 will take place in Austin, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the parties agree that the provisions of this Section 11 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 11 prevents the Parties from exercising their right to terminate this Agreement in accordance with Section 5 or prevents or delays Licensor from exercising its rights under Section 1(d).

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12. Counterparts. This Agreement may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

13. Entire Agreement; Amendment; Interpretation. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended upon the mutual written consent of the parties. Unless the context otherwise requires, (i) all references to Sections are to be Sections of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the

singular include the plural and vice versa, (iv) the term "including" means "including without limitation," (v) all reference to $ or dollar amounts will be to lawful currency of the United States, (vi) to the extent the term "day" or "days" is used, it will mean calendar days and (vii) the pronoun "his" refers to the masculine, feminine and neuter.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

MY/ZP IP GROUP, LTD.

By: MY/ZP IP GROUP, LLC,
its sole general partner

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

Attachment:
Exhibit A – Locations

Exhibit 10.11

BANANA PEEL SOFTWARE LICENSE AGREEMENT

This Banana Peel Software License Agreement ("Agreement") is entered into effective as of November 7, 2006 (the 'Effective Date") by and between Banana Peel, LLC, a Texas limited liability company ("Licensor"), and Chuy's Opco, Inc., a Delaware corporation ("Licensee").

1. License Grant.

(a) *License.* Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a limited, non-exclusive, royalty-free, irrevocable, and perpetual right and license to use, reproduce, modify, improve and create derivate works of the software listed and/or described on Exhibit A (attached hereto and incorporated herein by this reference)(along with any associated media and/or documentation provided by Licensor relating thereto) in the form of existence as of the Effective Date (the "Licensed Software") for Licensee's internal business use in connection with its operation of restaurants owned by Licensee, directly or indirectly through a wholly-owned subsidiary of Licensee, including to make any improvements or modifications necessary for such internal business use (the "Permitted Use"). Licensor may make a reasonable number of copies of the Licensed Software consistent with the Permitted Use. Any and all rights and licenses with respect to the Licensed Software not expressly granted to Licensee under this Agreement are reserved by Licensor.

(b) *General Restrictions.* Without limiting any other restrictions and/or limitations set forth in this Agreement, Licensee agrees to comply with the following restrictions and limitations, and Licensee agrees not to permit others to violate them without the prior written consent of Licensor: (i) except as expressly provided in Section 1(c) of this Agreement, Licensee may not sell, rent, lease, lend, publish, or distribute the Licensed Software; (ii) Licensee may not alter or remove any copyrights, trademark, patent or other protective notice contained in or on the Licensed Software; and (iii) Licensee may not reverse engineer, decompile or disassemble the Licensed Software or otherwise attempt to derive its source code, other than expressly permitted by the Permitted Use.

(c) *Limited Right to Transfer and/or Sublicense.* Except as otherwise expressly provided in this Section 1(c), Licensee may not transfer, assign or sublicense, in whole or in part, the right and license granted to Licensee pursuant to Section 1(a) with respect to the Licensed Software without the prior written consent of Licensor; provided, however, that, upon at least ten (10) days prior written notice to Licensor, Licensee may (i) sublicense its right and license to use the License Software to any wholly-owned subsidiary(ies) of Licensee or (ii) assign its rights and obligations, in whole, under this Agreement to any acquiror of all or substantially all of Licensee's assets (whether by way of merger, asset sale or otherwise) which agrees in writing to be bound by and subject to the terms and conditions of this Agreement. As a condition to any sublicense permitted pursuant to clause (i) above, Licensee will require the sublicense to comply with the provisions of this Agreement (including the Permitted Use) and Licensee will be responsible for any violation or breach of this Agreement due

to the acts or omissions of such sublicense and the failure of Licensee to enter into a sublicense with such person. In addition, Licensee will include a provision in each sublicense agreement that Licensor is an intended third party beneficiary of such agreement and will have the right to enforce directly all rights of and restrictions imposed by Licensee on sublicensee with respect to the Licensed Software. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 1(c) will be void and Licensee will be liable for any damages resulting from such attempted transfer, assignment or sublicense. For the avoidance of doubt, any unintentional breach by Licensee of its obligations under Section 5 (Confidentiality) will not be deemed a transfer, assignment or sublicense of the Licensed Software.

(d) *Royalty-Free License.* The rights and licenses granted to Licensee pursuant to this Section 1 are royalty-free and fully paid up. Licensor acknowledges and agrees that Licensee has provided adequate consideration to Licensor for Licensor to enter into and perform under this Agreement.

(e) *Equitable Remedies.* Licensee acknowledges and agrees that in the event of any breach of the provisions of this Section, Licensor would suffer irreparable injury for which monetary damages would be an inadequate remedy, and, without limitation of any other rights or remedies of Licensor, Licensor will be entitled to seek equitable relief, including injunctive relief, for such breach in any court of competent jurisdiction.

2. Licensee's Right to Require License to Controlled Entities.

(a) At any time during the term of this Agreement, Licensee may request that Licensor license the Licensed Software to an entity which is controlled by Goode Partners, LLC or Licensee and is engaged in the restaurant business (a "Controlled Entity"). For purposes of this Section 2, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of any entity, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) Upon such request by Licensee, Licensor will enter into a license agreement with the Controlled Entity to license the Licensed Software to such Controlled Entity on the same terms and conditions as are contained in this Agreement (except for the rights granted to Licensee under this Section 2).

3. No Maintenance or Support; License to Improvements.

(a) Licensee acknowledges and agrees that Licensor is under no obligation to provide to Licensee any (a) maintenance or support services or (b) except as provided in Section 3(b) below, any updates, upgrades or new versions with respect to the Licensed Software.

(b) If Licensor creates any updates, upgrades, new versions, improvements or other derivative works with respect to the Licensed Software, then Licensor will

provide such works to Licensee and such works will be deemed licensed to Licensee as part of the Licensed Software.

(c) If Licensee (including any sublicense of Licensee) creates any updates, upgrades, new versions, improvements or other derivative works with respect to the Licensed Software, then Licensee will provide such works to Licensor, such works will be considered the sole property of Licensor, and Licensee hereby transfers and assigns all right, title and interest (including all intellectual property rights) in and to such works to Licensor. Any such works will be deemed licensed back to Licensee as part of the Licensed Software.

4. Ownership. Licensee acknowledges and agrees that (a) Licensee is only granted a license to use the Licensed Software on the terms and conditions of this Agreement and (b) Licensee will not acquire any ownership in the Licensed Software by virtue of this Agreement.

5. Confidentiality. Licensee acknowledges and agrees that the Licensed Software contains proprietary information, including trade secrets, know-how and confidential information, of the Licensor. Licensee (i) will keep the confidential proprietary information associated with the Licensed Software confidential using the safeguards and standards of care that Licensee uses to preserve the confidentiality of its own confidential information (but in no event using less than reasonable care) and will not, without the prior written consent of Licensor, unless required by law, disclose the confidential proprietary information associated with the Licensed Software in any manner whatsoever, and (ii) will not use any confidential information other than for the Permitted Use; provided, however, that Licensee may disclose the confidential proprietary information associated with the Licensed Software to its employees, contractors and representatives ("Representatives") (x) who need to have access to and use of the confidential proprietary information associated with the Licensed Software for the purpose of permitting Licensee to engage in the Permitted Use, (y) who are informed by Licensee of the confidential nature of the confidential proprietary information associated with the Licensed Software, and (z) who agree to act in accordance with the terms of this Section 5. Licensee will cause its Representatives to comply the terms of this Section 5, and Licensee will be responsible for any violation or breach of this Section 5 due to the acts or omissions of any of its Representatives.

6. REPRESENTATIONS; DISCLAIMERS; LIMITATIONS ON LIABILITY.

(a) Licensor represents and warrants that, to the actual knowledge of Licensor, (i) the Licensed Software does not infringe the U.S. copyright, patent, trade secret or any other U.S. intellectual property right of any person and (ii) Licensor has the right to grant a license in the Licensed Software as provided in this Agreement.

(b) THE LICENSED SOFTWARE IS PROVIDED ON AN "AS IS" BASIS, WITH ALL FAULTS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN SECTION 6(A), LICENSOR DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR OTHERWISE, WITH

RESPECT TO THE LICENSED SOFTWARE INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES OF TITLE OR NON-INFRINGEMENT, OR ANY WARRANTIES THAT MAY ARISE FROM USAGE OF TRADE OR COURSE OF DEALING. MOREOVER, AND WITHOUT LIMITING THE FOREGOING, LICENSOR DOES NOT WARRANT THAT THE LICENSED SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE NOR DOES LICENSOR WARRANT, GUARANTEE, OR MAKE ANY REPRESENTATIONS REGARDING THE USE, OR THE RESULTS OF THE USE, OF THE LICENSED SOFTWARE. LICENSOR EXPRESSLY DISCLAIMS ANY WARRANTIES NOT EXPRESSLY STATED HEREIN.

(c) IN NO EVENT WILL LICENSOR BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, OR LOSS OF TIME OR BUSINESS) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED SOFTWARE, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE AND REGARDLESS OF WHETHER LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(d) EXCEPT FOR A CLAIM FOR BREACH OF LICENSOR'S REPRESENTATIONS AND WARRANTIES IN SECTION 6(A), LICENSEE AGREES THAT LICENSOR'S TOTAL LIABILITY FOR DAMAGES FOR ANY CAUSE(S) WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED SOFTWARE, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE, SHALL BE LIMITED TO THE TOTAL AMOUNT OF TEN DOLLARS (US$10.00).

7. Default; Termination. In the event of any default under this Agreement which remains uncured thirty (30) days following receipt of written notice of such default, the non-defaulting party may terminate this Agreement upon delivery of written notice to the defaulting party. In the event this Agreement is terminated pursuant to this Section 7, Licensee will immediately cease further use of the Licensed Software, and cause each sublicense to cease further use of the Licensed Software, and return, and cause each sublicense to return, (or certify the destruction of) all written copies of the Licensed Software to Licensor.

8. Assignability. Except as otherwise expressly provided in Section 1(c) of this Agreement, Licensee may not assign or transfer any of its rights or obligations under this Agreement (whether by way of merger, asset sale or otherwise) without the prior written consent of Licensor except that the Licensee may collaterally assign this Agreement to its financing sources without the consent of the Licensor. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 8 will be void.

9. Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the party entitled to the benefit thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

10. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Licensee, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Chief Executive Officer

with copies to:

Goode Partners LLC
667 Madison Avenue
21st Floor
New York, NY 10021
Facsimile No.: 212-317-2827
Attention: David J. Oddi

and

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to the Licensor, to:

Banana Peel, LLC
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

11. Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the parties to be contained herein.

12. Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

13. Dispute Escalation and Binding Arbitration; Jurisdiction.

(a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, each of Licensor and Licensee will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the

matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 13(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 13 will take place in Austin, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the parties agree that the provisions of this Section 13 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 13 prevents the parties from exercising their right to terminate this Agreement in accordance with Section 7 or prevents or delays Licensor from exercising its rights under Section 1(e).

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Counterparts. This Agreement may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

15. Entire Agreement; Amendment; Interpretation. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended upon the mutual written consent of the parties. Unless the context otherwise requires, (i) all references to Sections are to be Sections of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) the term "including" means "including without limitation," (v) all reference to $ or dollar amounts will be to lawful currency of

the United States, (vi) to the extent the term “day” or “days” is used, it will mean calendar days and (vii) the pronoun “his” refers to the masculine, feminine and neuter.

[INTENTIONALLY BLANK SPACE;
SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

BANANA PEEL, LLC

By: /s/ Michael R. Young
Name: Michael R. Young
Title: Manager

Attachment:

Exhibit A – Description of Licensed Software

Exhibit 10.12

CROSS-MARKETING LICENSE AGREEMENT

This Cross-Marketing License Agreement ("Agreement") is entered into to be effective as of the 7th day of November, 2006 ("Effective Date") by and between Chuy's Opco, Inc., a Delaware corporation ("Chuy's"), and MY/ZP IP Group, Ltd., a Texas limited partnership ("MY/ZP").

WHEREAS, Chuy's owns and/or operates "Tex Mex" and/or "Mexican" food restaurants conducted under the "Chuy's®" mark (such restaurants being referred to as the "Chuy's Restaurants");

WHEREAS, MY/ZP provides management and/or operations services to Chuy's Boat Towne, Ltd., Shady Grove, Inc., and Lake Austin, Ltd. (collectively, the "Non-Chuy's Restaurant Group") relating to the respective restaurant businesses conducted by the members of the Non-Chuy's Restaurant Group under the names "Hula Hut," "Shady Grove" and "Lucy's Boatyard," respectively, (such restaurants being referred to as the "Non-Chuy's Restaurants");

WHEREAS, MY/ZP desires to enter into a cross-marketing relationship with Chuy's for the purpose of permitting Chuy's to promote the Non-Chuy's Restaurants in accordance with the terms and conditions of this Agreement;

WHEREAS, Chuy's desires to enter into a cross-marketing relationship with MY/ZP for the purpose of permitting MY/ZP and the Non-Chuy's Restaurant Group to promote the Chuy's Restaurants in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the Parties agree as follows:

1. Definitions. In addition to any terms defined elsewhere herein, the following capitalized terms will have the following respective meanings for purposes of this Agreement:

(a) "Affiliate" means, with respect to a Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, the Person.

(b) "Intellectual Property Rights" means any patents, copyrights, moral rights, author's rights, rights of publicity, mask work rights, trademarks, service marks, trade names, trade secrets, know-how, contract rights, licensing rights or other proprietary or intellectual property rights under the laws of any jurisdiction, whether now existing or hereafter arising.

(c) "Location(s)" means the physical location(s) of the Chuy's Restaurants or the Non-Chuy's Restaurants, as the case may be. The Locations of the Non-Chuy's Restaurants are listed on Exhibit A (attached hereto and incorporated herein by this reference). The Locations of the Chuy's Restaurants are those in existence on the Effective Date and any other Chuy's Restaurants operated during the Term.

(d) "Marks" mean the trademarks, service marks, trade names, logos or other identifying indicia of Licensor approved, in writing, by Licensor for use by Licensee in a Marketing Program pursuant to this Agreement. With respect to MY/ZP Marks, such Marks will include any trademarks, service marks, trade names, logos or other identifying indicia of the Non-Chuy's Restaurant Group approved, in writing, by MY/ZP for use by Chuy's in a Marketing Program conducted pursuant to this Agreement.

(e) "Material" means marketing and promotional layouts, designs, copy, information and materials (regardless of form or medium) relating to the business, products and/or services of a Party and provided by or on behalf of such Party, if at all, for use in connection with a Marketing Program pursuant to this Agreement. With respect to MY/ZP Materials, such Materials will include any marketing and promotional layouts, designs, copy, information and materials (regardless of form or medium) relating to the business, products and/or services of the Non-Chuy's Restaurant Group approved MY/ZP for use in a Marketing Program pursuant to this Agreement.

(f) "Party" means either Chuy's or MY/ZP, individually, and "Parties" means Chuy's and MY/ZP, collectively.

(g) "Person" means any individual, partnership, joint venture, corporation, trust, limited liability company, unincorporated organization, association, joint stock company, government or any department or agency thereof, or any other form of association or entity.

2. Scope; Marketing Programs.

(a) From time to time during the term of this Agreement, a Party ("Licensor") may permit the other Party ("Licensee") to use Licensor's Marks and/or Materials in connection with marketing and promotional activities to be undertaken by the Licensee (each, a "Marketing Program") at Licensee's Locations pursuant to this Agreement. Current Marketing Programs are listed and/or described on Exhibit B (attached hereto and incorporated herein by this reference).

(b) For the avoidance of doubt, nothing contained in this Agreement will be construed to require a Licensee to exercise the rights granted pursuant to this Agreement with respect to any of the Licensor's Marks and/or Materials or to take any other action to promote, advertise or otherwise market the products, services and/or business of the Licensor. A Licensee may, at any time and from time to time, limit or discontinue any use of Licensor's Marks and/or Materials authorized by a Marketing Program with or without notice to Licensor.

(c) Except as otherwise expressly provided in this Agreement or mutually agreed to in writing by the Parties, each Party is solely responsible for all costs and expenses incurred by such Party in connection with this Agreement (including any Marketing Program).

3. Limited Trademark Licenses.

(a) Subject to the terms and conditions of this Agreement and any additional restrictions specified by Licensor with respect to a particular Marketing Program, Licensor hereby grants to Licensee a limited, non-exclusive, and royalty-free right and license to use, reproduce, display and distribute the Licensor Marks and the Licensor Material during the Term solely in connection with the Marketing Program(s) conducted pursuant to this Agreement at or from Licensee's Locations and in accordance with this Section 3 (the "Permitted Use"). Licensee acknowledges and agrees that (i) Licensee's use of any Licensor Marks will only be in accordance with standards, specifications and instructions Licensor provides to or approves for use by Licensee, (ii) all use of the Licensor Marks and Licensor Material by Licensee will be in a manner intended to reflect favorably on and preserve the value of the Marks, for the benefit of Licensor and/or its licensors, (iii) all right, title and interest in and to, and arising from the use of, the Licensor Marks and the Licensor Material (including, without limitation, any improvements, modifications or derivatives of any of the foregoing), are, and will remain, the exclusive property of Licensor and/or its licensors, and (iv) to the extent that Licensee has or is deemed to have acquired any right, title or interest in or to any of the foregoing property, Licensee hereby assigns and transfers all of its right, title and interest in and to such property to Licensor. Licensee further agrees to execute and deliver such documents as Licensor may reasonably request from time to time to confirm and further implement the intent of the preceding sentence. All rights not specifically granted to Licensee with respect to the Licensor Marks and Licensor Material pursuant to this Section 3 are reserved by Licensor and/or its licensors. Licensee will not seek any trademark registration for any of the Licensor Marks or any name or mark incorporating any of, or confusingly similar with, the Licensor Marks during the Term or at any time thereafter. Furthermore, Licensee will promptly notify Licensor of any and all infringements or attempted infringements of any Licensor Marks and/or Licensor Material that may come to Licensee's attention, and will provide reasonable assistance to Licensor in any action taken by Licensor with respect to such infringement.

(b) The quality of all Licensee Material which includes any of the Licensor Marks will be at least as high as the best quality of similar promotional and/or advertising material used by Licensee and will be in full conformance with all applicable laws and regulations and subject to such other limitations as Licensor reasonably may require to ensure the satisfactory quality of the same or to protect Licensor's rights in the Licensor Marks. Licensee agrees that all Licensee Material will contain appropriate legends, markings and/or notices as required from time to time by Licensor to give appropriate notice to the consuming public of Licensor's right, title and interest in the Licensor Marks. Licensee agrees that, unless otherwise expressly approved in writing by Licensor, each usage of any of the Licensor Marks will be followed by the "™", "SM" or "®" trademark notice symbol, as appropriate.

(c) Prior to Licensee's use of the Licensor Marks or Licensor Material, including, without limitation, the release of any marketing, advertising, or other promotional content and/or materials (regardless of form or medium) that reference

Licensor and/or its business, products and/or services (or in the case of MY/ZP, that reference any member of the Non-Chuy's Restaurant Group and/or the Non-Chuy's Restaurants, their business, products and/or services), Licensee will submit a written request for approval ("Approval Request") to Licensor, together with a copy of the promotional content and/or material to be released. Approval Requests will be submitted to Licensor not less than ten (10) days prior to the requested release date. Licensee may not use the Licensor Marks and/or Licensor Promotional Material unless and until the applicable Approval Request has been approved by Licensor, and then only to the extent of the approval granted.

(d) Except as otherwise expressly provided in this Section 3(d), MY/ZP may not transfer, assign or sublicense, in whole or in part, the right and license granted to MY/ZP pursuant Section 3(a) with respect to the Chuy's Marks and/or Materials without the prior written consent of Chuy's; provided, however, that MY/ZP may, at any time and from time to time, (i) sublicense its right and license to use the Chuy's Marks and/or Materials for the Permitted Use to any member of the Non-Chuy's Restaurant Group or (ii) upon ten (10) days prior written notice to Chuy's, assign its rights and obligations, in whole, under this Agreement to (1) any member of the Non-Chuy's Restaurant Group or (2) any acquiror of all or substantially all of Licensee's assets (whether by way of merger, asset sale or otherwise), in each case, to the extent that such Person agrees in writing to be bound by and subject to the terms and conditions of this Agreement. As a condition to any sublicense permitted pursuant to clause (i) above, MY/ZP will require the sublicensee to comply with the provisions of this Agreement (including the Permitted Use) and MY/ZP will be responsible for any violation or breach of this Agreement due to the acts or omissions of such sublicensee and the failure of MY/ZP to enter into a sublicense with such person. In addition, MY/ZP will include a provision in each sublicense agreement that Chuy's is an intended third party beneficiary of such agreement and will have the right to enforce directly all rights of and restrictions imposed by MY/ZP on sublicensee with respect to the Chuy's Marks and/or Materials. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 3(d) will be void.

(e) Except as otherwise expressly provided in this Section 3(e), Chuy's may not transfer, assign or sublicense, in whole or in part, the right and license granted to Chuy's pursuant Section 3(a) with respect to the MY/ZP Marks and/or Materials without the prior written consent of MY/ZP; provided, however, that, upon at least ten (10) days prior written notice to MY/ZP, Chuy's may (i) sublicense its right and license to use the MY/ZP Marks and/or Materials to any wholly-owned subsidiary(ies) of Chuy's (for so long as such entity remains a wholly-owned subsidiary of Chuy's) or (ii) assign its rights and obligations, in whole, under this Agreement to any acquiror of all or substantially all of Chuy's assets (whether by way of merger, asset sale or otherwise) which agrees in writing to be bound by and subject to the terms and conditions of this Agreement. As a condition to any sublicense permitted pursuant to clause (i) above, Chuy's will require the sublicensee to comply with the provisions of this Agreement (including the Permitted Use) and Chuy's will be responsible for any violation or breach of this Agreement due to the acts or omissions of such sublicensee and the failure of Chuy's to enter into a sublicense with such person. In addition, Chuy's will include a provision in each

sublicense agreement that MY/ZP is an intended third party beneficiary of such agreement and will have the right to enforce directly all rights of and restrictions imposed by Chuy's on sublicensee with respect to the MY/ZP Marks and/or Materials. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 3(e) will be void.

(f) The rights and licenses granted to each Licensee pursuant to this Section 3 are royalty-free and fully paid up. Each Licensor acknowledges and agrees that each Licensee has provided adequate consideration to each Licensor for such Licensor to enter into and perform under this Agreement.

(g) Each Licensee acknowledges and agrees that in the event of any breach of the provisions of this Section, Licensor would suffer irreparable injury for which monetary damages would be an inadequate remedy, and, without limitation of any other rights or remedies of Licensor, Licensor will be entitled to equitable relief, including injunctive relief, for such breach in any court of competent jurisdiction.

4. Representations and Warranties. Each Party represents and warrants to the other Party that: (a) the Party has full power, authority and capacity to enter into this Agreement and to perform its obligations hereunder; (b) this Agreement constitutes the legal, valid, and binding obligation of the Party, enforceable against the Party in accordance with its terms; (c) the Party's execution and delivery of this Agreement and the performance of its obligations hereunder does not and will not constitute a breach or violation of or a default under, or an event which with the passage of time, the giving of notice, or both, would result in a breach or violation of or default under, or otherwise conflict with, its organizational documents or any contract or agreement to which it is a Party or by which it is bound (including any agreements relating to the confidential or proprietary information of a third party); (d) the Party will not make any commitment or incur any contractual obligation on behalf of the other Party (including, with respect to MY/ZP, the Non-Chuy's Restaurant Group); (e) the Party will not make any statements, representations, warranties, promises or guarantees with respect to the other Party's products and/or services (including, in the case of MY/ZP, those of the Non-Chuy's Restaurant Group) other than those expressly authorized by the other Party; (f) the Party, the Party's Materials, marketing communications, products and services will comply with all applicable governmental laws, statutes, ordinances, orders, rules or regulations; and (g) the Party's Materials, marketing communications, products and/or services offered in connection with a Marketing Program will not contain content or information which may be considered misleading, fraudulent, abusive, defamatory, harassing, grossly offensive, threatening or malicious.

5. Indemnification.

(a) Chuy's will indemnify, hold harmless and, at the request of MY/ZP, defend MY/ZP and its officers, directors, officers, employees, representatives and agents from and against any and all claims, demands, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and other costs of litigation) (collectively, "Losses") arising out of, with respect to, or incurred in connection with third

party claims relating to: (i) any actual or threatened infringement, violation or misappropriation by Chuy's (including its employees, contractors or representatives), the Chuy's Marks, the Chuy's Materials or any products and/or services of Chuy's of the Intellectual Property Rights of any Person and (ii) any breach by Chuy's (including its employees, contractors or representatives) of Chuy's representations and warranties set forth in Section 4 of this Agreement, to the extent, in the case of clauses (i) or (ii), the claims do not result from a breach of this Agreement by MY/ZP.

(b) MY/ZP will indemnify, hold harmless and, at the request of Chuy's, defend, Chuy's and its officers, directors, officers, employees, representatives and agents from and against any and all Losses arising out of, with respect to, or incurred in connection with third party claims relating to: (i) any actual or threatened infringement, violation or misappropriation by MY/ZP (including its employees, contractors or representatives), the MY/ZP Marks, the MY/ZP Materials or any products and/or services of MY/ZP of the Intellectual Property Rights of any Person and (ii) any breach by MY/ZP (including its employees, contractors or representatives) of MY/ZP's representations and warranties set forth in Section 4 of this Agreement, to the extent, in the case of clauses (i) or (ii), the claims do not result from a breach of this Agreement by Chuy's.

(c) In the event of any such indemnifiable claims, the Party entitled to indemnification (the "Indemnified Party") will notify the Party responsible for indemnification (the "Indemnifying Party") of any matter with respect to which the Indemnified Party may seek indemnification or other relief from the Indemnifying Party under this Section promptly after the Indemnified Party becomes aware of such matter; provided, however, that any failure to give prompt notice of any such matter will not relieve the Indemnifying Party from any of its liabilities or obligations hereunder with respect to such matter unless (and then only to the extent that) such failure adversely affects the ability of the Indemnifying Party to defend any claim arising out of such matter. In the event that the Indemnified Party requests that the Indemnifying Party defend the Indemnified Party with respect to any Loss, the Indemnifying Party will assume the defense of such matter, and will pay any amounts in settlement and all costs and damages awarded against or incurred by the Indemnified Party or any other Person indemnified hereunder, provided that the Indemnified Party will have the right to participate in the defense with counsel of its own choice and to approve any settlement or compromise, or any consent to entry of any judgment, unless such settlement, compromise or consent includes as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party and any other indemnified Person of a release from all liability in respect to such matter and there will be no other terms and conditions as part of such settlement which could adversely affect the Indemnified Party or any such other indemnified Person. In the event that the Indemnified Party requests that the Indemnifying Party defend the Indemnified Party with respect to any Loss, the fees and expenses of any counsel retained by the Indemnified Party will be at the expense of the Indemnified Party unless (x) in the Indemnified Party's reasonable judgment, based upon the advice of counsel, it is advisable in light of the separate interests of the Indemnified Party and the Indemnifying Party for the Indemnified Party to be represented by separate counsel, or (y) the Indemnifying Party will not have

employed counsel to defend the Indemnified Party within a reasonable time after the Indemnified Party requests the same or fails to continue to do so until the matter is resolved; in either such case, the reasonable fees and expenses of such separate counsel will be paid by the Indemnifying Party. In the event that the Indemnified Party requests that the Indemnifying Party defend with respect to any Loss, the Indemnifying Party will keep the Indemnified Party informed at all times as to the status of the Indemnifying Party's efforts and consult with the Indemnified Party concerning same.

6. Limitation of Liability.

(a) LICENSOR IS PROVIDING THE LICENSOR MARKS AND/OR MATERIALS ON AN "AS IS" BASIS, WITH ALL FAULTS. LICENSOR DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO THE LICENSOR MARKS AND/OR MATERIALS INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES OF TITLE OR NON-INFRINGEMENT, OR ANY WARRANTIES THAT MAY ARISE FROM USAGE OF TRADE OR COURSE OF DEALING. LICENSOR EXPRESSLY DISCLAIMS ANY WARRANTIES NOT EXPRESSLY STATED HEREIN. FOR THE AVOIDANCE OF DOUBT, LICENSOR ACKNOWLEDGES AND AGREES THE ABOVE DISCLAIMER REGARDING WARRANTIES OF TITLE AND NON-INFRINGEMENT WILL IN NO WAY SERVE TO RELIEVE LICENSOR OF ITS INDEMNIFICATION OBLIGATIONS UNDER SECTION 5(B).

(b) EXCEPT WITH RESPECT TO CLAIMS BASED ON A PARTY'S FRAUD OR WILLFUL MISCONDUCT, A BREACH OF SECTIONS 3 (LIMITED TRADEMARK LICENSES) OR AMOUNTS PAYABLE PURSUANT TO SECTION 5 (INDEMNIFICATION), IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING LOSS OF DATA, LOSS OF REVENUE OR PROFIT, OR LOSS OF TIME OR BUSINESS) ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY OR NEGLIGENCE) OR OTHERWISE, AND REGARDLESS OF WHETHER THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. Term. The initial term of this Agreement will commence on the Effective Date and continue until the first anniversary thereof (the "Initial Term"), and will automatically renew for consecutive one (1)-year renewal terms (each, a "Renewal Term") unless either Party notifies the other Party at least thirty (30) days before the end of the then-current term of its intent not to renew (the Initial Term and any Renewal Terms will be referred to collectively as the "Term"). Either Party may terminate this Agreement prior to the expiration of the Term pursuant to the applicable provisions of Section 8 below.

8. Termination.

(a) This Agreement (or any Marketing Program) may be terminated as follows: (i) by a Party immediately upon notice to the other Party if the other Party breaches any provision of this Agreement and fails to cure the breach within fourteen (14) days after notice of the breach or (ii) by a Party immediately upon notice to the other Party if the other Party is insolvent or has a petition brought by or against it under the insolvency laws of any jurisdiction; if the other Party makes a general assignment for the benefit of creditors; if the other Party has been dissolved, wound up, or liquidated; or if a receiver, trustee, or similar agent is appointed with respect to any substantial portion of the property or business of the other Party. If the non-breaching Party elects to not to terminate this Agreement in its entirety, then this Agreement will remain in effect with respect to any Marketing Program that has not been terminated.

(b) This Agreement (or any Marketing Program) may be terminated by a Party for its convenience upon thirty (30) days' prior notice to the other Party. If the terminating Party elects to not to terminate this Agreement in its entirety, then this Agreement will remain in effect with respect to any Marketing Program that has not been terminated.

(c) In the event of any termination or expiration of this Agreement (or any applicable Marketing Program), each Licensee will, and will cause its sublicensee(s) to, (i) cease further use of Licensor Marks and/or Materials affected by such termination, and (ii) return to Licensor, or to destroy (and to certify to such destruction in writing to Licensor), within thirty (30) days after termination or expiration of this Agreement (or the applicable Marketing Program), all Licensor Materials in the possession of Licensee affected by such termination; provided, that, in the event of the expiration of the Term of this Agreement pursuant to Section 7 above or a termination of this Agreement (or any Marketing Program) pursuant to Section 8(b) above, at a Licensee's request, the Licensee will retain a limited license under Section 3 (for a period not to exceed 60 days following the effective date of such expiration or termination, as applicable) to the extent necessary to allow Licensee (and, in the case of MY/ZP, the Non-Chuy's Restaurant Group) to deplete its inventory of any menus, cups, or other promotional items incorporating any Licensor Marks and/or Materials previously authorized under the terminated/expired Marketing Program and to replace and/or revise the same, so long as the inventory is not the subject of any threatened or actual legal action. If the inventory is the subject of threatened or actual legal action, the Licensee will not retain any limited License under Section 3 and will immediately terminate the Marketing Program and use of such inventory.

(d) Notwithstanding anything to the contrary in this Agreement, termination or expiration of this Agreement (or any Marketing Program) will not affect any of the Parties' respective rights or obligations that are (i) vested pursuant to this Agreement as of the effective date of such termination or expiration (including obligations for payment and remedies for breach of this Agreement) or (ii) reasonably intended by the Parties to survive such termination or expiration, including Sections 2(c), 5, 6, 7, 8, 9, 14 and 15 of this Agreement.

(e) In the event of termination by either Party in accordance with any of the provisions of this Agreement, neither Party will be liable to the other Party solely because of such termination for any compensation, reimbursement, or damages on account of the loss of prospective profits or anticipated sales or on account of expenditures, inventory, investments, leases, or commitments.

9. Assignment. Except as otherwise expressly provided in Sections 3(d) and (e), neither Party may assign or transfer any of its rights or obligations under this Agreement (whether by way of merger, asset sale or otherwise) without the prior written consent of the other Party, except that Chuy's may collaterally assign this Agreement to its financing sources without the consent of MY/ZP. Any attempted or actual assignment or transfer in violation of the provisions of this Section 9 will be void.

10. Non-Exclusive Engagement; Independent Parties. The relationship, if any, established by this Agreement is of a non-exclusive nature. Nothing in this Agreement will restrict either Party from entering into marketing or other business relationships with any other Persons including any co-marketing relationship which is the same or similar to the relationship contemplated by this Agreement. Neither Party guarantees that the marketing activities contemplated under this Agreement will be successful. The relationship of the Parties as established by this Agreement is that of independent contractors, despite any use of the term "partner" or other similar terms. Neither Party will have any power or authority to make any commitment or incur any obligation on behalf of the other Party.

11. Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any Party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the Party entitled to the benefit thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any Party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any Party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

12. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate Party at the address specified below:

If to Chuy's, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Chief Executive Officer

with a copy to:

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to the MY/ZP, to:

MY/ZP IP Group, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such Party may from time to time designate as to itself by like notice.

13. Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the Parties to be contained herein.

14. Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

15. Dispute Escalation and Binding Arbitration; Jurisdiction.

(a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either Party, each of Licensor and Licensee will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the Parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the Parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the Parties as contemplated by Section 15(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the Parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 15 will take place in Austin, Texas. Each Party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the Parties agree that the provisions of this Section 15 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 15 prevents the Parties from exercising their right to terminate this Agreement in accordance with Section 8 or prevents or delays Licensor from exercising its rights under Section 3(g).

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Counterparts. This document may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

17. Entire Agreement; Amendment; Interpretation. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended upon the mutual written consent of the Parties. Unless the context otherwise requires, (i) all references to Sections are to be Sections of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) the term "including" means "including without limitation," (v) all reference to $ or dollar amounts will be to lawful currency of the United States, (vi) to the extent the term "day" or "days" is used, it will mean calendar days and (vii) the pronoun "his" refers to the masculine, feminine and neuter.

[*Signature page follows*]

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

MY/ZP IP GROUP, LTD.

By: MY/ZP IP GROUP GP, LLC, *its General Partner*

By: /s/ Michael R. Young
Name: Michael R. Young
Title: Manager

Attachment:

Exhibit A – Non-Chuy's Restaurant Locations
Exhibit B – Current Marketing Programs

Exhibit 10.13

MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT (this "Agreement"), is dated as of November 7, 2006, by and between Chuy's Opco, Inc., a Delaware corporation (the "Provider"), on the one hand, and Three Star Management, Ltd. (formerly Chuy's Group, Ltd.), a Texas limited partnership (the "Customer"), on the other hand.

RECITALS:

A. The Provider is a party to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, by and among the Provider, MY/ZP on Hwy 183, Ltd., a Texas limited partnership, MY/ZP of S.A. – 281, Ltd., a Texas limited partnership, MY/ZP of Round Rock, Ltd., a Texas limited partnership, MY/ZP of Shenandoah, Ltd., a Texas limited partnership, MY/ZP Central Texas, Ltd., a Texas limited partnership, MY/ZP North Lamar, Ltd., a Texas limited partnership, MY/ZP on McKinney, Ltd., a Texas limited partnership, and MY/ZP of River Oaks, Ltd., a Texas limited partnership, MY/ZP IP Group, Ltd., a Texas limited partnership, and Three Star Management, Ltd., a Texas limited partnership, Michael Young ("Young") and John Zapp ("Zapp");

B. The Customer provides certain management services to Chuy's Boat Towne, Ltd., Shady Grove, Inc., and Lake Austin, Ltd. (collectively, the "Non-Chuy's Restaurant Group") relating to their respective restaurant businesses conducted under the names "Hula Hut," "Shady Grove" and "Lucy's Boatyard," respectively, at the locations identified on Schedule B;

C. The Provider has agreed to enter into this Agreement with respect to the provision of certain management services to the Customer in respect of the Customer's provision of management services to or for the benefit of the Non-Chuy's Restaurant Group's restaurants identified in Schedule B hereto; and

D. All capitalized terms used but not defined herein will have the respective meanings set forth in the Purchase Agreement.

Accordingly, the parties agree as follows:

I. MANAGEMENT SERVICES

1.1 Provider Obligations. Subject to the terms and conditions of this Agreement, during the Term, the Provider will, or will cause one of its subsidiaries to, provide to the Customer, the management services and assistance (together, the "Management Services") set forth on Schedule A hereto. The parties acknowledge that the Management Services do not include any obligation of Provider to furnish access to or use of the existing warehouse space of the Previous Providers (as defined below) at 1623 Toomey Road, Austin, Texas since the Customer and/or its Affiliates will be leased, or otherwise granted the right to use and access, approximately fifty percent (50%) of such warehouse space directly by the landlord.

1.2 Term. The obligations of the Provider to provide each Management Service or cause such Management Service to be provided hereunder will commence upon the execution of this Agreement and continue until the second anniversary of the date of this Agreement (the "Initial Term") and will automatically renew for consecutive 90 day periods (each, a "Renewal Term") unless either party notifies the other party at least 60 days before the end of the then-current term of its intent not to renew (the Initial Term and any Renewal Terms will be referred to collectively as the "Term").

1.3 Modification of Management Services. During the Term, any or all of the Management Services may be modified in any respect upon mutual written agreement of the Provider and the Customer.

1.4 Provision of Management Services.

(a) Scope. The Provider agrees to provide the Customer with the Management Services on substantially the same basis (including scope, quality and quantity of services) as those management services provided by MY/ZP IP Group, Ltd. (formerly, Chuy's Comida Deluxe, Inc.) and the Customer (collectively, the " Previous Providers") to or for the benefit of the Non-Chuy's Restaurant Group's restaurants identified on Schedule B hereto prior to the Closing (as defined in the Purchase Agreement). The Customer acknowledges and agrees that the Provider will not be obligated to perform, or to cause to be performed, any Management Service if and to the extent that such Management Service: (i) exceeds, in any material respect, the historical volume or quantity of such services performed by the Previous Providers during the two-year period immediately preceding the Closing, (ii) is for any operations of the Customer other than in respect of the continued management services the Customer provides to the Non-Chuy's Restaurant Group's operation of the Hula Hut, Shady Grove and Lucy's Boatyard locations identified on Schedule B, or (iii) would breach any contract to which the Provider is a party immediately following the Closing (as defined in the Purchase Agreement) or violate any applicable Law to which the Provider is subject.

(b) Standard of Performance; Standard of Care. The Provider will use, and will cause its subsidiaries to use, commercially reasonable efforts in the performance of its obligations under this Agreement in a manner consistent with the past practice of the Previous Providers, including the scope, quality and quantity of services. The Provider will perform its duties and obligations under this Agreement in compliance with all applicable Laws.

1.5 Confidentiality. (a) Each party ("Receiving Party") agrees that all information and materials (regardless of form or medium) it obtains from the other party or its Affiliates (including, in the case of the Customer, the Non-Chuy's Restaurant Group) (" Disclosing Party") are the confidential property of the Disclosing Party ("Confidential Information"), if (i) conspicuously labeled as "proprietary" or "confidential" or some similar designation, or (ii) if disclosed orally or visually, is confirmed in writing labeled as "proprietary" or "confidential" or some similar designation within 30 days of such oral or visual disclosure, or (iii) based on the nature of the information or the

manner of its disclosure should reasonably be considered as confidential. For the avoidance of doubt, and subject to Section 1.5(b) below, all information disclosed by the Customer and/or the Non-Chuy's Restaurant Group, or their respective Representatives, to the Provider relating to the Customer's and/or the Non-Chuy's Restaurant Group's employees, financials, product or marketing plans or other business information, and the information, reports and other results of the Management Services, will be deemed Confidential Information of the Customer for purposes of this Agreement regardless of whether or not marked as indicated in the preceding sentence. The Receiving Party agrees that, following the receipt of any Confidential Information, the Receiving Party will maintain the Confidential Information in strict confidence and not disclose or use any Confidential Information, except as expressly set forth in this Section 1.5. The Receiving Party (i) will keep the Confidential Information confidential using the safeguards and standards of care that the Receiving Party uses to preserve the confidentiality of its own confidential information (but in no event using less than reasonable care) and will not, without the prior written consent of the disclosing party unless required by law, disclose any Confidential Information in any manner whatsoever, and (ii) will not use any Confidential Information other than in connection with the provision or receipt of the Management Services; provided, however, that the Receiving Party may reveal the Confidential Information to its employees, contractors and representatives ("Representatives") (x) who need to know the Confidential Information for the purposes of providing or receiving the Management Services, as applicable, (y) who are informed by the recipient of the confidential nature of the Confidential Information, and (z) who agree to act in accordance with the terms of this Section 1.5. The Receiving Party will cause its Representatives to observe the terms of this Section 1.5, and the Receiving Party will be responsible for any breach of this Section 1.5 by any of its Representatives.

(b) The obligation of confidentiality under this Section 1.5 will not apply to the extent that it can be established by the Receiving Party by competent proof that such Confidential Information:

(i) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of receipt from the Disclosing Party;

(ii) was generally available to the public or otherwise part of the public domain at the time of its receipt from the Disclosing Party;

(iii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement or any other obligation of confidentiality;

(iv) was received by the Receiving Party, other than under an obligation of confidentiality, from a third person lawfully in possession of the information and whom the Receiving Party reasonably believed was not under a restriction from disclosing such information; or

(v) was independently developed by the Receiving Party, without reference or access to any Confidential Information of the Disclosing Party.

(c) In the event that the Receiving Party or any of its Representatives or Affiliates are requested pursuant to, or are required by, applicable Law to disclose any of the Confidential Information, the Receiving Party will promptly notify the Disclosing Party and otherwise cooperate with the Disclosing Party so that the Disclosing Party may seek a protective order or other appropriate remedy or, in the Disclosing Party's sole discretion, waive compliance with the terms of this Section 1.5. In the event that no such protective order or other remedy is obtained, or that the Disclosing Party does not waive compliance with the terms of this Section 1.5, the Receiving Party will furnish only that portion of the Confidential Information which it is advised by counsel is legally required and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

(d) The Receiving Party will notify the Disclosing Party as promptly as practicable of any unauthorized use or disclosure of any Confidential Information. The Receiving Party agrees to return to the Disclosing Party, or to destroy (and to certify to such destruction in writing to the Disclosing Party), all information and materials containing or embodying any Confidential Information, regardless of the media and regardless of by whom prepared, within five days after demand therefor by the Disclosing Party or, in any event, within five days after termination or expiration of this Agreement. Notwithstanding the preceding sentence, the Provider will be entitled to retain for its records (and solely for archival purposes) one copy of all Confidential Information obtained in connection with the provision of the Management Services, subject to the terms and conditions of this Section 1.5.

II. CONSIDERATION

2.1 Fees. (a) In consideration for the Management Services provided by or on behalf of the Provider under this Agreement during the Term, the Customer agrees to pay the Provider (i) a monthly fee in the amount of $10,000 plus (ii) the Non-Chuy's Restaurants' allocable share of wages and expense reimbursements for "Handyman Support" (as described in Schedule A) performed for the Non-Chuy's Restaurants' (with such allocations to be made in accordance with the past practice of the Previous Providers) (the "Fees"). Other than the Fees and the Expenses specified in Section 2.2 and any additional fees or expenditures expressly agreed to by the Customer to be paid by the Customer for hiring additional personnel, funding additional capital expenditures or otherwise, the Customer will not be responsible for any fees or expenses incurred by the Provider or any of its subsidiaries in connection with its or their provision of the Management Services hereunder.

(b) Without limitation of any other rights or remedies of the Customer, for any period during the Term in which a Management Service is not rendered for the

entire period specified, the Fees respect to such Management Service will be prorated based on the actual number of days in such period, if applicable.

2.2 Reimbursement of Out-of-Pocket Expenses. The Customer will reimburse the Provider for all (a) reasonable out-of-pocket expenses (including travel expenses) that arise out of the provision of the Management Services pursuant to this Agreement incurred by the Provider or its subsidiaries (the "Out-of-Pocket Expenses") and (b) sales or similar non-income taxes incurred by the Provider or its subsidiaries in connection with the provision of Management Services pursuant to this Agreement (together with the Out-of-Pocket Expenses, "Expenses") will be reimbursed by the Customer;provided, however, that for any Expense described in clause (a) in excess of $1,000 per occurrence or event, the Provider or its subsidiaries will be required to obtain prior approval thereof from the Customer, which approval will not be unreasonably withheld. For the avoidance of doubt, Out-of-Pocket Expenses will not include any general administrative overhead expenses related to the Business including employee salaries, equipment, insurance (other than insurance directly attributable to the Non-Chuy's Restaurant Group) and supplies incurred by the Provider in providing the Management Services.

2.3 Payment. The Customer will pay or cause to be paid to the Provider the Fees and Expenses on the first day of each month during the Term. If the Customer fails to pay any portion of the undisputed Fees and Expenses when due, interest will accrue on the undisputed amount payable, beginning on the 10th day following the due date, at a rate equal to the lesser of (a) one and one-half percent (1.5%) per month and (b) the maximum legal rate (the "Interest Rate"). If the Customer disputes in good faith any portion of the Fees and Expenses and such dispute is resolved in favor of the Provider, interest will accrue on the amount payable commencing on the date such Fees and Expenses were due if undisputed, at the Interest Rate.

III. TERMINATION

3.1 Term and Termination. (a) This Agreement will remain in effect with respect to each Management Service during the Term for such Management Service unless earlier terminated in accordance with this Section 3.1.

(b) An authorized officer of either the Provider or the Customer may terminate this Agreement upon written notice to the other party if:

(i) the other party has violated any material provision of this Agreement and such violation has not been remedied within 30 days after written notice thereof; or

(ii) the other party has filed, or has filed against it, a petition seeking relief under any bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights.

(c) Authorized officers of the Provider and the Customer may terminate this Agreement by mutual written agreement

(d) An authorized officer of the Customer may terminate this Agreement in its entirety and for any reason on behalf of the Customer upon delivery of 90-days' prior written notice to the Provider; provided, however, such notice may not be delivered during the initial 275-day period following the date of execution of this Agreement.

(e) The parties' obligations pursuant to Sections 1.5, 2.3 and 4.2 will survive the expiration or any termination of this Agreement in accordance with its terms.

IV. MISCELLANEOUS

4.1 Warranty Disclaimer. EXCEPT AS PROVIDED IN SECTION 1.4, THE PROVIDER DOES NOT MAKE ANY WARRANTY CONCERNING THE MANAGEMENT SERVICES AND THE WARRANTY IN SUCH SECTION 1.4 IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY THAT THE SERVICES PROVIDED UNDER THIS AGREEMENT WILL BE SUFFICIENT TO ALLOW THE CUSTOMER TO SUCCESSFULLY TRANSITION, MANAGE OR OPERATE ITS BUSINESS.

4.2 Indemnification. (a) Subject to subsection (d) below, each party (the "Indemnitor") will indemnify and hold the other party, its Affiliates and each of their respective shareholders, officers, directors, employees, agents and representatives and each of the successors and assigns of any of the foregoing (each, an "Indemnitee") harmless from and against and will promptly defend the Indemnitees from and reimburse the Indemnitees for any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including reasonable attorneys' fees and other costs and expenses) (collectively, "Damages"), arising out of or related to (i) a breach by the Indemnitor of this Agreement and (ii) the gross negligence, bad faith or intentional misconduct of the Indemnitor in connection with the provision or receipt of Management Services under this Agreement.

(b) The amount of any Damages for which indemnification is provided under this Section 4.2 will be computed net of any insurance proceeds received or receivable by the Indemnitee pursuant to an insurance policy with respect to such Damages. Other than with respect to claims for indemnity in respect of any liability, Damages or claims resulting from action taken by the Provider with the prior written consent of or in accordance with the instructions of, the Customer, which shall not be subject to any cap, in no event will the Indemnitor's aggregate liability under this Section 4.2 to the Indemnitees exceed $240,000.

(c) The Indemnitee must notify the Indemnitor in writing of any claim, demand, action or proceeding for which indemnification will be sought under Section 4.2(a), and if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the Indemnitor will have the right at its expense to assume the defense thereof using counsel reasonably acceptable to the Indemnitee. The Indemnitee will have the right (i) to participate, at its own expense, with respect to any such third party claim, demand, action or proceeding that is being defended by the

Indemnitor, and (ii) to assume the defense of such third party claim, demand, action or proceeding, at the cost and expense of the Indemnitor if the Indemnitor fails or ceases to defend the same. In connection with any such third party claim, demand, action or proceeding, the parties will cooperate with each other and provide each other with access to relevant books and records in their possession. If a firm written offer is made to the Indemnitor to settle any such third party claim, demand, action or proceeding solely in exchange for monetary sums to be paid by the Indemnitor (and such settlement contains a complete release of the Indemnitee and its Affiliates and their respective directors, officers and employees) and the Indemnitor proposes to accept such settlement and the Indemnitee refuses to consent to such settlement, then (i) the Indemnitor will be excused from, and the Indemnitee will be solely responsible for, all further defense of such third party claim, demand, action or proceeding, (ii) the maximum liability of the Indemnitor relating to such third party claim, demand, action or proceeding will be the amount of the proposed settlement if the amount thereafter recovered from the Indemnitee on such third party claim, demand, action or proceeding is greater than the amount of the proposed settlement, and (iii) the Indemnitee will pay all reasonable attorneys' fees and legal costs and expenses incurred after rejection of such settlement by the Indemnitee; provided, however, that if the amount thereafter recovered by such third party from the Indemnitee is less than the amount of the proposed settlement, the Indemnitee will be reimbursed by the Indemnitor for such attorneys' fees and legal costs and expenses up to a maximum amount equal to the difference between the amount recovered by such third party and the amount of the proposed settlement.

(d) No party will be entitled to recover any consequential, indirect or punitive damages (including lost profits or lost revenues) arising out of the matters covered by this Agreement, regardless of the form of the claim or action, including claims or actions for tort, breach of contract, warranty, representation or covenant.

(e) The Indemnitees' rights to indemnification as set forth in this Section 4.2 will be their exclusive remedy with respect to any Damages arising out of the matters covered by this Agreement, other than their right to terminate this Agreement as set forth in Section 3.1(b). Each Indemnitee hereto will be entitled to indemnification for Damages sustained in accordance with the provisions of this Section 4.2 regardless of any Law or public policy that would limit or impair the right of the party to recover indemnification under the circumstances.

4.3 Relationship of Parties. The Provider and its Affiliates will for all purposes be deemed to be an independent contractor with respect to the provision of Management Services hereunder, will not be considered (nor will any of their directors, officers, employees, contractors or agents be considered) an agent, employee, commercial representative, partner, franchisee or joint venturer of the Customer and will have no duties or obligations beyond those expressly provided in this Agreement and the Purchase Agreement with respect to the provision of the Management Services. No party will have any authority, absent express written permission from the other party, to enter into any agreement, assume or create any obligations or liabilities, or make representations on behalf of any other party. The provision of the Management

Services will not alter the classification of, or the compensation and employee benefits provided to, the employees of the Provider, the Customer or any of their Affiliates. The employees of the Provider will be employed solely by the Provider or its Affiliates, and the employees of the Customer will be employed solely by the Customer or its Affiliates. No employee of the Provider or the Customer will be entitled to any additional compensation for the provision of the Management Services.

4.4 Interpretation. (a) When a reference is made in this Agreement to Sections or Schedules, such reference will be to a Section of or Schedule to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." Unless the context otherwise requires, (i) "or" is disjunctive but not necessarily exclusive and (ii) words in the singular include the plural and vice versa. All Schedules hereto will be deemed part of this Agreement and included in any reference to this Agreement. This Agreement will not be interpreted or construed to require any party to take any action, or fail to take any action, if to do so would violate any applicable Law.

(b) All parties have participated in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by all parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

4.5 Amendment. This Agreement may be amended, modified or supplemented only by the written agreement of the parties hereto.

4.6 Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the party entitled to the benefit thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

4.7 Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Provider, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157

with copies to:

Goode Partners
667 Madison Avenue
21st Floor
New York, New York 10021
Facsimile No.: 212-317-2827
Attention: David J. Oddi

and

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to the Customer, to:

Three Star Management, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

4.8 Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and their successors and permitted assigns and will not be deemed to confer upon any third party (including any member of the Non-Chuy's Restaurant Group, any Employee or Former Employee or their respective beneficiaries or

dependents), and remedy, claims, liability, reimbursement, claim of action or other right in addition to those which may exist without regard to this Agreement.

4.9 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but will not be assignable or delegable by any party without the prior written consent of the other parties hereto, except that (a) (i) the Provider may assign its rights and delegate its duties hereunder to one or more of its Affiliates upon prior notice to the Customer or (ii) collaterally assign this Agreement to its financing sources provided that, in each case, no such assignment will relieve the Provider of its obligations hereunder and (b) the Customer may assign its rights and delegate its duties hereunder to one or more of its Affiliates upon prior notice to the Provider provided that such Affiliate is wholly owned by Young and Zapp. Any attempted assignment in violation of this Section 4.9 will be void.

4.10 Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the parties to be contained herein.

4.11 Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

4.12 Dispute Escalation and Binding Arbitration; Jurisdiction. (a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, each of the Provider and the Customer will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 4.12(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 4.12 will take place in Austin, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the parties agree that the provisions of this Section 4.12 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 4.12 prevents the Parties from exercising their right to terminate this Agreement in accordance with Section 3.1.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.13 Force Majeure. The Provider will not be liable to the Customer for failure to perform or delays in performing any part of the Management Services if such failure or delay results from an act of God, war, terrorism, revolt, revolution, sabotage, actions of a Governmental Entity, Laws, regulations, embargo, fire, strike, or any other cause or circumstance beyond the control of the Provider other than financial difficulties of the Customer. Upon the occurrence of any such event which results in, or will result in, delay or failure to perform according to the terms of this Agreement, the Provider will promptly give notice to the Customer of such occurrence and the effect and/or anticipated effect of such occurrence. The Provider will use its reasonable efforts to minimize disruptions in its performance, to resume performance of its obligations under this Agreement as soon as practicable and to assist the Customer in obtaining, at their sole expense, an alternative source for the affected Management Services and the Customer will be released from any payment obligation to the Provider with respect to the affected Management Services during the period of such force majeure; provided, however, the resolution of any strike will be within the sole discretion of the Provider.

4.14 No Obligation to Disburse Funds. Nothing in this Agreement requires, and the Provider has no obligation to disburse any funds, make any payments or write any checks on behalf of the Customer.

4.15 Fulfillment of Obligations. Any obligation of any party to any other party under this Agreement, which obligation is performed, satisfied or fulfilled by an Affiliate of such party, will be deemed to have been performed, satisfied or fulfilled by such party.

4.16 Counterparts. This document may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

4.17 Entire Agreement. This Agreement (including the Schedules attached hereto) constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

THREE STAR MANAGEMENT, LTD.

By: Three Star Management GP, LLC,
its General Partner

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

Exhibit 10.14

MANAGEMENT SYSTEM LICENSE AGREEMENT

This Management System License Agreement ("Agreement") is entered into effective as of November 7, 2006 (the "Effective Date") by and between Chuy's Opco, Inc., a Delaware corporation ("Licensor"), and MY/ZP IP Group, Ltd., a Texas limited partnership ("Licensee").

RECITALS:

A. Licensor and Licensee are parties to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, by and among Chuy's Opco, Inc. MY/ZP on Hwy 183, Inc., MY/ZP of S.A. – 281, Ltd., MY/ZP of Round Rock, Ltd., MY/ZP of Shenandoah, Ltd., MY/ZP Central Texas, Ltd., MY/ZP North Lamar, Ltd., MY/ZP on McKinney, Inc., MY/ZP of River Oaks, Inc., MY/ZP IP Group, Ltd., Three Star Management, Ltd., Michael Young and John Zapp.

B. Pursuant to the Purchase Agreement, Licensor acquired, among other things, business management know-how and personnel management know-how (including handbooks, personnel training materials and other materials relating thereto) used by the Sellers in the Business (the "Management Systems").

C. Licensee desires to obtain, and Licensor desires to grant to Licensee, a license to the Management System pursuant to the terms and conditions of this Agreement.

D. All capitalized terms used but not defined herein will have the respective meanings set forth in the Purchase Agreement

1. License Grant.

(a) *License.* Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a limited, non-exclusive, royalty-free, irrevocable, and perpetual right and license to use, reproduce, modify, improve and create derivative works of the Management Systems (excluding the trademarks of Licensor contained therein) (collectively, the "Licensed Management Systems") (i) for the benefit of Chuy's Boat Towne, Ltd., Shady Grove, Inc., and Lake Austin, Ltd. (collectively, the "Non-Chuy's Restaurant Group") relating to the respective restaurant businesses conducted by the members of the Non-Chuy's Restaurant Group under the names "Hula Hut," "Shady Grove" and "Lucy's Boatyard," respectively, at the locations identified on Exhibit A (attached hereto and incorporated herein by this reference) (the "Locations") and (ii) for any other endeavors of Licensee, provided that such uses do not violate Licensee's obligations under Section 6.14 (Non-Competition) of the Purchase Agreement (the "Permitted Use"). Any and all rights and licenses with respect to the Licensed Management Systems not expressly granted to Licensee under this Agreement are reserved by Licensor.

(b) *Limited Right to Transfer and/or Sublicense.* Except as otherwise expressly provided in this Section 1(b), Licensee may not transfer, assign or sublicense, in whole or in part, the right and license granted to Licensee pursuant Section 1(a) with respect to the Licensed Management Systems without the prior written consent of Licensor; provided, however, that Licensee may, at any time and from time to time, (i) sublicense its right and license to use the Licensed Management Systems for the Permitted Use specified in Section 1(a)(i) above to any member of the Non-Chuy's Restaurant Group exclusively for use at the Locations , (ii) sublicense its right and license to use the Licensed Management Systems for the Permitted Use specified in Section 1(a)(ii) to any person to the extent necessary to give effect to Licensee's exercise of its rights pursuant to Section 1(a)(ii), or (iii) upon at least ten (10) days' prior written notice to Licensor, assign its rights and obligations, in whole, under this Agreement to any acquiror of all or substantially all of Licensee's assets (whether by way of merger, asset sale or otherwise) which agrees in writing to be bound by and subject to the terms and conditions of this Agreement. As a condition to any sublicense permitted pursuant to clause (i) or (ii) above, Licensee will require the sublicensee to comply with the provisions of this Agreement (including the Permitted Use) and Licensee will be responsible for any violation or breach of this Agreement due to the acts or omissions of such sublicense and the failure of Licensee to enter into a sublicense with such person. In addition, Licensee will include a provision in each sublicense agreement that Licensor is an intended third party beneficiary of such agreement and will have the right to enforce directly all rights of and restrictions imposed by Licensee on sublicensee with respect to the Licensed Management Systems under such agreement. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 1(b) will be void and Licensee will be liable for any damages resulting from such attempted transfer, assignment or sublicense. For the avoidance of doubt, any unintentional breach by Licensee of its obligations under Section 3 (Confidentiality) will not be deemed a transfer, assignment or sublicense of the Licensed Management Systems but will be subject to the other rights and remedies available to Licensor under this Agreement.

(c) *Royalty-Free License.* The rights and licenses granted to Licensee pursuant to this Section 1 are royalty-free and fully paid up. Licensor acknowledges and agrees that Licensee has provided adequate consideration to Licensor for Licensor to enter into and perform under this Agreement.

(d) *Equitable Remedies.* Licensee acknowledges and agrees that in the event of any breach of the provisions of this Section, Licensor would suffer irreparable injury for which monetary damages would be an inadequate remedy, and, without limitation of any other rights or remedies of Licensor, Licensor will be entitled to equitable relief, including injunctive relief, for such breach in any court of competent jurisdiction.

2. No Ownership. Licensee acknowledges and agrees that (a) Licensee is only granted a license to use the Licensed Management Systems on the terms and conditions of this Agreement and (b) Licensee will not acquire any ownership in the Licensed Management Systems by virtue of this Agreement. Licensor acknowledges

and agrees that Licensor will not acquire any rights in any modification, improvement or other derivative work to the Licensed Management Systems created by Licensee and/or any sublicensee.

3. Confidentiality. Subject to Licensee's rights to engage in the Permitted Use, Licensee will maintain the confidentiality of the Licensed Management Systems using the safeguards and standards of care that Licensee uses to preserve the confidentiality of its own confidential information of like character. In no event will Licensee make any unauthorized public disclosure of the material details of the Licensed Management Systems (including any posting of the material details of the Licensed Management Systems on the Internet).

4. DISCLAIMERS; LIMITATIONS ON LIABILITY.

(a) THE LICENSED MANAGEMENT SYSTEMS ARE PROVIDED ON AN "AS IS" BASIS, WITH ALL FAULTS. LICENSOR DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO THE LICENSED MANAGEMENT SYSTEMS INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES OF TITLE OR NON-INFRINGEMENT, OR ANY WARRANTIES THAT MAY ARISE FROM USAGE OF TRADE OR COURSE OF DEALING. MOREOVER, AND WITHOUT LIMITING THE FOREGOING, LICENSOR DOES NOT WARRANT THAT THE LICENSED MANAGEMENT SYSTEMS WILL BE UNINTERRUPTED OR ERROR-FREE NOR DOES LICENSOR WARRANT, GUARANTEE, OR MAKE ANY REPRESENTATIONS REGARDING THE USE, OR THE RESULTS OF THE USE, OF THE LICENSED MANAGEMENT SYSTEMS. LICENSOR EXPRESSLY DISCLAIMS ANY WARRANTIES NOT EXPRESSLY STATED HEREIN.

(b) IN NO EVENT WILL LICENSOR BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, OR LOSS OF TIME OR BUSINESS) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED MANAGEMENT SYSTEMS, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE AND REGARDLESS OF WHETHER LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) LICENSEE AGREES THAT LICENSOR'S TOTAL LIABILITY FOR DAMAGES FOR ANY CAUSE(S) WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED MANAGEMENT SYSTEMS, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE) OR OTHERWISE, SHALL BE LIMITED TO THE TOTAL AMOUNT OF TEN DOLLARS (US$10.00).

5. Default; Termination. In the event of any default under this Agreement which remains uncured thirty (30) days following receipt of written notice of such default, the non-defaulting party may terminate this Agreement upon delivery of written notice to the defaulting party. In the event this Agreement is terminated pursuant to this Section 5, Licensee will immediately cease further use of the Licensed Management Systems, and cause each sublicensee to cease further use of the Licensed Management Systems, and return, and cause each sublicensee to return, (or certify the destruction of) all written copies of the Licensed Management Systems to Licensor.

6. Assignability. Except as otherwise expressly provided in Section 1(b) of this Agreement, Licensee may not assign or transfer any of its rights or obligations under this Agreement (whether by way of merger, asset sale or otherwise) without the prior written consent of Licensor. Any attempted or actual transfer, assignment or sublicense in violation of the provisions of this Section 6 will be void.

7. Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the party entitled to the benefit thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

8. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Licensor, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Chief Executive Officer

with a copies to:

Goode Partners LLC
667 Madison Ave.
21st Floor

New York, New York 10021
Facsimile: 212-317-2827
Attention: David J. Oddi

and

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to the Licensee, to:

MY/ZP IP Group, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

9. Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the parties to be contained herein.

10. Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

11. Dispute Escalation and Binding Arbitration; Jurisdiction.

(a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon

the written request of either party, each of Licensor and Licensee will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 11(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 11 will take place in Austin, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the parties agree that the provisions of this Section 11 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 11 prevents the parties from exercising their right to terminate this Agreement in accordance with Section 5 or prevents or delays Licensor from exercising its rights under Section 1(d).

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12. Counterparts. This Agreement may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

13. Entire Agreement; Amendment; Interpretation. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended upon the mutual written consent of the parties. Unless the context otherwise requires, (i) all references to Sections are to be Sections of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) the term "including" means "including without limitation," (v) all reference to $ or dollar amounts will be to lawful currency of the United States, (vi) to the extent the term "day" or "days" is used, it will mean calendar days and (vii) the pronoun "his" refers to the masculine, feminine and neuter.

[INTENTIONALLY BLANK SPACE;
SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

MY/ZP IP GROUP, LTD.

By: MY/ZP IP GROUP GP, LLC, *its General Partner*

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

Attachment:
Exhibit A – Locations

Exhibit 10.15

PARADE SPONSORSHIP AGREEMENT

This Parade Sponsorship Agreement (this "Agreement") is entered into as of November 7, 2006 (the "Effective Date") by and between MY/ZP IP Group, Ltd., a Texas limited partnership ("MY/ZP"), and Chuy's Opco, Inc., a Delaware corporation ("Chuy's"). MY/ZP and Chuy's are referred to collectively a the "Parties".

RECITALS

A. MY/ZP has managed and operated a parade known as the "Chuy's Children Giving to Children Parade" which is held annually in November in Austin, Texas (the "Parade");

B. MY/ZP has obtained a U.S. federal trademark registration, Reg. No. 3100040, for the mark "Chuy's Children Giving to Children Parade" for charitable services, namely "collecting money for needy children" and "collecting toys for needy children" (referred to hereinafter as the "Parade Mark");

C. Chuy's desires to obtain, and MY/ZP desires to grant to Chuy's, the right to sponsor, manage and operate the Parade and use the Parade Mark in connection therewith, all on the terms and conditions set forth in this Agreement;

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

1. Grant of Rights by MY/ZP.

(a) *License to Parade Mark.*

(i) Subject to the terms and conditions of this Agreement, MY/ZP hereby grants to Chuy's a limited, non-exclusive, royalty-free, irrevocable, non-transferable right and license to use the Parade Mark as necessary in connection with Chuy's sponsorship, management and operation of the Parade during the Term (as defined below).

(ii) Chuy's acknowledges and agrees that (1) Chuy's use of the Parade Mark will be in accordance with MY/ZP's standards, specifications and instructions to the extent provided to Chuy's, (2) all use of the Parade Mark by Chuy's will be in a manner intended to reflect favorably on and preserve the value of the Parade Mark and the Parade, for the benefit of MY/ZP, (3) all right, title and interest in and to the Parade Mark (including any improvements, modifications or derivatives of any of the foregoing) are, and will remain, the exclusive property of MY/ZP, except with respect to the Chuy's name and mark, and (4) to the extent that Chuy's has or is deemed to have acquired any right, title or interest in or to any of the foregoing property, Chuy's hereby assigns and transfers all of its right, title and interest in and to such property to MY/ZP, except with respect to the Chuy's name and mark. Chuy's further agrees to execute and deliver such documents as MY/ZP may reasonably request from time to time to confirm

and further implement the intent of the preceding sentence. All rights not specifically granted to Chuy's with respect to the Parade Mark pursuant to this Section 1(a) are reserved by MY/ZP. Chuy's agrees that, unless otherwise expressly approved in writing by MY/ZP, each usage of any of the Parade Mark will be followed by the "™" "SM" or "®" trademark notice symbol, as appropriate.

(iii) Chuy's will not seek any trademark registration for the Parade Mark or any name or mark confusingly similar with "Children Giving to Children Parade" during the Term or at anytime thereafter so long as MY/ZP maintains and has not abandoned such mark. Furthermore, Chuy's will promptly notify MY/ZP of any and all infringements or attempted infringements of the Parade Mark that may come to Chuy's attention, and will provide reasonable assistance to MY/ZP in any action taken by MY/ZP with respect to such infringement.

(b) *Grant of Rights to Sponsor, Manage and Operate the Parade.* Subject to the terms and conditions of this Agreement, MY/ZP hereby grants to Chuy's any and all rights of MY/ZP to sponsor, manage and operate the Parade during the Term. Chuy's agrees to use commercially reasonable efforts to sponsor, manage and operate the Parade during the Term in accordance with general, past historical practice of MY/ZP and applicable law. MY/ZP will use good faith, best efforts to cause all sponsorships committed for the 2006 Parade to be made available for use by Chuy's in its management and operation of the 2006 Parade, subject only to Chuy's fulfillment of the obligations relating to such sponsorships set forth on Schedule 1(b) of this Agreement.

2. Grant of Limited License by Chuy's in "Chuy's" Name.

(a) Subject to the terms and conditions of this Agreement, Chuy's hereby grants to MY/ZP a limited, non-exclusive, royalty-free, irrevocable, non-transferable right and license to use the "Chuy's" name (the "Chuy's Name") as part of the Parade Mark, and consents to the continued registration of the Parade Mark with the term CHUY'S and the domain name chuysparade.com, only during the Term of this Agreement and only for the purpose of granting Chuy's the license in the Parade Mark in accordance with Section 1(a) above.

(b) Following the expiration or termination of the Term (if not done sooner by MY/ZP), MY/ZP will take all appropriate action to remove the Chuy's Name from the Parade Mark and cancel registration Reg. No. 3100040 for the mark "Chuy's Children Giving to Children Parade" and the domain name registration for chuysparade.com. MY/ZP acknowledges and agrees that (i) MY/ZP is only granted a limited license to use the Chuy's Name on the terms and conditions of this Agreement, (ii) all rights to the CHUY'S name and mark inure to the benefit of Chuy's, and (iii) MY/ZP will not acquire any ownership in the Chuy's Name by virtue of this Agreement.

3. Term; Termination. The initial term of this Agreement will commence on the Effective Date and continue until the earlier of (a) November 30, 2007 or (b) the day after the conclusion of the 2007 Parade (the "Initial Term"), and will automatically renew for consecutive one (1)-year renewal terms (each, a "Renewal Term") unless Chuy's

notifies MY/ZP on or before April 1, 2007 (with respect to the first Renewal Term), and April 1 of any other then current term of its intent not to renew (the Initial Term and any Renewal Terms will be referred to collectively as the "Term"). Either Party may terminate this Agreement prior to the expiration of the Term as follows: (i) by a Party immediately upon notice to the other Party if the other Party breaches any provision of this Agreement and fails to cure the breach within fourteen (14) days after notice of the breach; or (ii) by a Party immediately upon notice to the other Party if the other Party is insolvent or has a petition brought by or against it under the insolvency laws of any jurisdiction; if the other Party makes a general assignment for the benefit of creditors; if the other Party has been dissolved, wound up, or liquidated; or if a receiver, trustee, or similar agent is appointed with respect to any substantial portion of the property or business of the other Party. Notwithstanding anything to the contrary in this Agreement, termination or expiration of this Agreement will not affect any of the Parties' respective rights or obligations that are (i) vested pursuant to this Agreement as of the effective date of such termination or expiration (including obligations for payment, indemnity and remedies for breach of this Agreement); or (ii) reasonably intended by the Parties to survive such termination or expiration, including Section 1(a)(ii)(3) and (4), the last three sentences of Section 1(a)(ii), Section 1(a)(iii), the third sentence of Section 1(b), Section 2(b), and Sections 3 through 11 of this Agreement.

4. Assignment. Neither Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party; provided, that either Party may assign its rights and obligations under this Agreement to any acquiror of all or substantially all of such Party's assets (whether by way of merger, asset sale or otherwise), to the extent that such acquiror agrees in writing to be bound by and subject to the terms and conditions of this Agreement and, provided further, that Chuy's may collaterally assign this Agreement to its financing sources without the consent of MY/ZP. Any attempted or actual assignment or transfer in violation of the provisions of this Section 4 will be void.

5. Waiver of Compliance. Except as otherwise provided in this Agreement, the failure by any Party to comply with any obligation, covenant, agreement or condition under this Agreement may be waived by the Party entitled to the benefit thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any Party to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver of any such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of any Party hereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver of any other or subsequent breach.

6. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or

one business day after having been dispatched by a nationally recognized overnight courier service to the appropriate Party at the address specified below:

If to Chuy's, to:

Chuy's Opco, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Chief Executive Officer

with a copies to:

Goode Partners LLC
667 Madison Avenue
21st Floor
New York, New York 10021
Facsimile No: 212-317-2827
Attention: David J. Oddi

and

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No: 212-755-7306
Attention: Robert A. Profusek, Esq.

If to MY/ZP, to:

MY/ZP IP Group, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.

or to such other address or addresses as any such Party may from time to time designate as to itself by like notice.

7. Severability. The illegality or partial illegality of any or all of this Agreement, or any provision hereof, will not affect the validity of the remainder of this Agreement, or any provision hereof, and the illegality or partial illegality of this Agreement will not affect the validity of this Agreement in any jurisdiction in which such determination of illegality or partial illegality has not been made, except in either case to the extent such illegality or partial illegality causes this Agreement to no longer contain all of the material provisions reasonably expected by the Parties to be contained herein.

8. Governing Law. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

9. Dispute Escalation and Binding Arbitration; Jurisdiction.

(a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either Party, each Party will appoint a designated senior business executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the Parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the Parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the Parties as contemplated by Section 9(a), will be resolved by final and binding arbitration conducted in accordance with and subject to JAMS Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the Parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"), and the Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof.

Any negotiation, mediation or arbitration conducted pursuant to this Section 9 will take place in Austin, Texas. Each Party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the arbitrators, if applicable. Other than those matters involving injunctive relief or any action necessary to enforce the award of the arbitrators, the Parties agree that the provisions of this Section 9 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute. Nothing in this Section 9 prevents the Parties from exercising their right to terminate this Agreement in accordance with Section 3.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10. Counterparts. This document may be executed in two or more separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

11. Entire Agreement; Amendment; Interpretation. This Agreement constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended upon the mutual written consent of the Parties. Unless the context otherwise requires, (i) all references to Sections are to be Sections of or to this Agreement, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) words in the singular include the plural and vice versa, (iv) the term “including” means “including without limitation,” (v) all reference to $ or dollar amounts will be to lawful currency of the United States, (vi) to the extent the term “day” or “days” is used, it will mean calendar days and (vii) the pronoun “his” refers to the masculine, feminine and neuter.

IN WITNESS WHEREOF, each of the signatories hereto has caused this Agreement to be signed by its duly authorized officer as of the date first above written.

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

MY/ZP IP GROUP, LTD.

By: MY/ZP IP Group GP, LLC, its *sole general partner*

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

Exhibit 10.16

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Settlement Agreement") entered into as of the 15th day of June, 2011, among Chuy's Holdings, Inc., a Delaware corporation (the "Company"), Goode Partners (as defined herein) and the Shackelford Affiliates (as defined herein). "Goode Partners" shall mean, collectively, Goode Chuy's Co-Investors, LLC, Goode Consumer Advisors LLC, and Goode Consumer Fund I, L.P. (formerly known as Goode Consumer Investors, L.P.) (the "Fund"). For purposes hereof, "Portfolio Companies" shall mean any companies in which the Fund has made an investment as of the date of this Settlement Agreement. "Shackelford Affiliates" shall mean, collectively, Clint Shackelford ("Mr. Shackelford"), CR Opportunities I, L.P., and Camino Real Advisors LLC.

WHEREAS, there is a dispute among the parties regarding the number of shares subject to the Non-Qualified Stock Option Agreement dated December 6, 2006 (the "Option Agreement") granted by the Company to Mr. Shackelford pursuant to the Company's 2006 Stock Option Plan (the "Plan"); and

WHEREAS, the parties wish to enter into this Settlement Agreement in full settlement and discharge of all claims and obligations between and among them, as applicable, including those arising out of the Option Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements set forth herein, the parties agree as follows:

1. **Option/Repurchase Rights.** The Company acknowledges that, on May 20, 2011, Mr. Shackelford exercised his option to purchase 83,334 shares of the Company's common stock pursuant to the Option Agreement (the "Option Shares") and that Mr. Shackelford is entitled to a special dividend of $52,896 with respect to the Option Shares. The Company hereby waives any right to repurchase the Option Shares pursuant to Section 8 of the Option Agreement and the Company and Goode Partners each hereby acknowledges and agrees that neither the Company, Goode Partners nor their affiliates have any repurchase or other rights with respect to the Option Shares other than those rights and obligations specifically set forth in the Stockholders Agreement (as defined herein). Mr. Shackelford shall have no further right to purchase any shares of the Company pursuant to the Option Agreement, the Plan or otherwise. Certificates representing the Option Shares shall be delivered to Mr. Shackelford concurrently with the execution of this Settlement Agreement.

2. **Payments.** Concurrently with the execution of this Settlement Agreement by the Company and Mr. Shackelford, the Company shall pay to Mr. Shackelford the sum of $175,000.

3. **Put Option.** The Company hereby grants to Mr. Shackelford the right to require the Company to purchase all or any portion of the Options Shares upon the terms and conditions hereinafter set forth (the "Put Option"). Mr. Shackelford may only exercise the Put Option only one time, by delivering a single written notice of exercise to the Company between June 15, 2012 and August 13, 2012, which notice shall specify the number of Option Shares with respect to which the Put Option is being exercised. The purchase price for the Option Shares

upon exercise of the Put Option shall be equal to $5.25 multiplied by the number of Option Shares with respect to which the Put Option is being exercised. In the event the Put Option is exercised, the closing of the purchase of the Option Shares by the Company shall take place at the offices of the Company no later than fifteen (15) days after the Company's receipt of the notice of exercise. At such closing, (i) Mr. Shackelford shall deliver the certificates for the Option Shares, and (ii) the Company shall pay the purchase price by check, wire transfer or such other method approved by the Company and Mr. Shackelford. In the event of a Change in Control (as defined in the Plan) (a) that is a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company under Internal Revenue Code Section 409A, (b) that occurs before August 13, 2012, and (c) in which the holders of common stock of the Company receive less than $5.25 per share in the applicable transaction, Mr. Shackelford shall be entitled to receive $5.25 per share with respect to the Option Shares held by him upon such Change in Control.

4. **Drag Along and Tag Along Rights.** Mr. Shackelford will have drag along and tag along rights with respect to the Option Shares as per the stockholders agreement in effect among the Company and its stockholders (the "Stockholders Agreement"), and, for purposes of clarity, Mr. Shackelford shall be deemed a "Stockholder" as defined in the Stockholders Agreement. In addition, in the event of an initial public offering of the Company's capital stock under the Securities Act of 1933, as amended, on or prior to August 13, 2012, Mr. Shackelford will have the right, at his choosing, to sell, offer for sale, or otherwise dispose of all or any portion of the Option Shares in the registration statement covering the shares to be issued in such initial public offering. The Company agrees that it will not request, and the Company and Goode Partners agree that they will waive and not enforce any requirement, that Mr. Shackelford enter into a lockup or any similar agreement precluding Mr. Shackelford from selling his Option Shares, including such provisions that are included in Section 14 of the Option Agreement and Section 3.3 of the Stockholders Agreement.

5. **Releases.**

(a) On the date hereof, the Shackelford Affiliates, in consideration of good and valuable consideration received and to be received from the Company hereunder, the sufficiency of which is acknowledged, releases and discharges the Company, Goode Partners, and their respective current and former parents, divisions, subsidiaries and affiliates and each and all of their current and former assigns, officers, directors, stockholders, employees, representatives, agents, and attorneys and each and all of their respective heirs, personal representatives, successors and assigns (collectively, the "Company Releasees"), of and from all claims, demands, causes of action, suits, actions, proceedings, judgments, debts, damages, liabilities and obligations, whether at law or in equity or otherwise, whether known or unknown, which he or his heirs, personal representatives, successors and assigns had, have or may hereafter have against the Company Releasees for, on or by reason of any matter of any nature whatsoever, from the beginning of the world up to and including the date of this Settlement Agreement, except this release shall not apply to any right, claim, cause of action or injury related to the Excluded Matters (as defined below). Nothing herein shall be construed as an admission by any Company Releasee that any Shackelford Affiliate has any claim against it. The Shackelford Affiliates and their respective heirs, personal representatives, successors and assigns further waive any and all manner of notice, knowledge or discovery of any and all such

actual or alleged claims or cause of action. The Excluded Matters are the Shackelford Affiliates': (1) rights to indemnification, defense and insurance under (i) the existing director and officer indemnification agreement entered into between Mr. Shackelford and the Company, and (ii) the certificates of incorporation, bylaws or comparable organizational documents of the Company, Goode Partners and their respective subsidiaries and affiliates; (2) enforcement of this Settlement Agreement; (3) enforcement of the Stockholders Agreement; and (4) co-investments in Portfolio Companies, including the following limited liability company agreements: Goode Chuy's Co-Investors LLC; Goode LOH Co-Investors LLC; Goode Intermix Co-Investors LLC; Goode Rosa Co-Investors LLC; Goode Rad Co-Investors, LLC; Goode Bowling Co-Investors LLC; Generation Green Co-Investors LLC.

(b) On the date hereof, each of the Company and Goode Partners, in consideration of good and valuable consideration received and to be received from the Shackelford Affiliates hereunder, the sufficiency of which is acknowledged, releases and discharges the Shackelford Affiliates and their respective heirs, personal representatives, successors and assigns (together, the "Shackelford Releasees"), of and from all claims, demands, causes of action, suits, actions, proceedings, judgments, debts, damages, liabilities and obligations, whether at law or equity or otherwise, whether known or unknown, which the Company, Goode Partners or their respective affiliates, successors or assigns had, have or may hereafter have against the Shackelford Releasees for, on or by reason of any matter of any nature whatsoever, from the beginning of the world up to and including the date of this Settlement Agreement; except that the Company in no way releases or discharges the Shackelford Affiliates' obligations under the Company Excluded Matters (as defined below). Nothing herein shall be construed as an admission by any Shackelford Releasee that the Company has any claim against him or it. The Company, Goode Partners and their respective successors and assigns further waive any and all manner of notice, knowledge or discovery of any and all such actual or alleged claims or cause of action. The Company Excluded Matters are the Company's or Goode Partners', as applicable: (1) enforcement of this Settlement Agreement; (2) enforcement of the Stockholders Agreement; (3) enforcement of the second paragraph under the "Representations and Covenants" section of the Senior Advisor Agreement between Mr. Shackelford and GCP Investors, LLC dated February 2, 2006 (the "Senior Advisor Agreement"), and (4) co-investments in Portfolio Companies, including the following limited liability company agreements: Goode Chuy's Co-Investors LLC; Goode LOH Co-Investors LLC; Goode Intermix Co-Investors LLC; Goode Rosa Co-Investors LLC; Goode Rad Co-Investors, LLC; Goode Bowling Co-Investors LLC; Generation Green LLC (collectively, the "Portfolio Company LLC Agreements").

6. **Non-Disparagement.** Each Shackelford Affiliate agrees to refrain from making any libelous or slanderous statements of fact about the Company or any of its subsidiaries, Goode Partners or its Portfolio Companies, their personnel, or any of their products and services. Each Shackelford Affiliate agrees to refrain from making any libelous or slanderous statements of fact to any members of the news media or industry about the Company or any of its subsidiaries or Goode Partners or its Portfolio Companies, their personnel, or any of their products and services. Each of Goode Partners and the Company agrees to refrain from making (i) any libelous or slanderous statements of fact about the Shackelford Affiliates, or their respective business activities or services, and (ii) any libelous or slanderous statements of fact to

any members of the news media or industry about the Shackelford Affiliates or their respective business activities or services.

7. **Entire Agreement.** This Settlement Agreement sets forth the entire understanding of the parties with respect to its subject matter, merges and supersedes any prior or contemporaneous understandings with respect to its subject matter and shall not be modified or terminated except by a written instrument executed by the parties hereto. This Settlement Agreement shall be interpreted in accordance with Internal Revenue Code Section 409A. No particular tax result for Mr. Shackelford with respect to any income recognized by Mr. Shackelford in connection with this Settlement Agreement is guaranteed. Failure of a party to enforce one or more of the provisions of this Settlement Agreement or to require at any time performance of any of the obligations hereunder shall not be construed to be a waiver of such provisions by such party nor to in any way affect the validity of this Settlement Agreement or such party's right thereafter to enforce any provision of this Settlement Agreement, nor to preclude such party from taking any other action at any time which it would legally be entitled to take.

8. **Severability.** If any provision of this Settlement Agreement is held to be invalid or unenforceable by any court or tribunal of competent jurisdiction, the remainder of this Settlement Agreement shall not be affected by such judgment, and such provision shall be carried out as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

9. **Successors and Assigns.** This Settlement Agreement shall inure to the benefit of, be binding on and be enforceable by, the parties and their respective heirs, personal representatives, successors and assigns.

10. **Communications.** Any notice to the Company provided for herein shall be in writing to the Company, marked Attention: President, with a copy to Goode Partners, and any notice to Mr. Shackelford shall be addressed to Mr. Shackelford at his address on file with the Company. Any written notice required to be given to a party pursuant thereto shall be deemed to be duly given only when actually received.

11. **Construction; Counterparts.** The headings contained in this Settlement Agreement are for convenience only and shall in no way restrict or otherwise affect the construction of the provisions hereof. References in this Settlement Agreement to Sections are to the sections of this Settlement Agreement. This Settlement Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12. **No Withholding Taxes.** The Company shall not withhold from any amounts payable under this Settlement Agreement any Federal, state, and local taxes.

13. **Governing Law.** This Settlement Agreement shall be governed by the laws of the State of Texas applicable to agreements made and fully to be performed in such state, without giving effect to conflicts of law principles. Any disputes regarding this Settlement Agreement shall be resolved in the federal or state courts of the State of Texas and each party of

this Settlement Agreement expressly consents to the jurisdiction of such courts to resolve any such dispute.

[Signature Pages Attached]

IN WITNESS WHEREOF, each of the parties has executed this Settlement Agreement as of the date first set forth above.

CHUY'S HOLDINGS, INC.

By /s/ Jose Ferreira, Jr.
Jose "Joe" Ferreira, Jr.
Chairman of the Board

/s/ Clint Shackelford
CLINT SHACKELFORD

GOODE CONSUMER ADVISORS LLC

By /s/ Jose Ferreira, Jr.
Jose Ferreira, Jr.

CR OPPORTUNITIES I, L.P.

By /s/ Clint Shackelford, manager
Camino Real Advisors, LLC
General Partner

GOODE CONSUMER FUND I, L.P.

By /s/ Jose Ferreira, Jr.
Jose Ferreira, Jr.

CAMINO REAL ADVISORS LLC

By /s/ Clint Shackelford, manager

GOODE CHUY'S CO-INVESTORS LLC

By /s/ Jose Ferreira, Jr.
Jose Ferreira, Jr.

Exhibit 10.17

PROMISSORY NOTE

$1,276,556.26 **November 7, 2006**
AUSTIN, TEXAS

For value received, **Chuy's Opco, Inc.**, a Delaware corporation (the "Maker"), promises to pay to the order of **Three Star Management, Ltd.,** a Texas limited partnership (the "Holder"), at its address, the principal sum of **One Million Two Hundred Seventy Six Thousand Five Hundred Fifty Six and 26/100 Dollars ($1,276,556.26)**, in legal and lawful money of the United States of America, with interest thereon as hereinafter specified.

1. Purchase Agreement. This promissory note (this "Note") is executed and delivered pursuant to the Asset Purchase Agreement of even date with this Note among Maker, Holder and the other parties thereto (the "Purchase Agreement") and is the "Promissory Note" referenced therein.

2. Interest to Accrue.

(a) From the date hereof until maturity, interest shall accrue on the principal outstanding hereunder at a rate per annum equal to the lesser of (i) fifteen and 00/100 percent (15%) per annum and (ii) the Maximum Lawful Rate; provided, however, that interest shall accrue on any principal owing hereunder and not paid when due at the lesser of (iii) eighteen percent (18%) per annum and (iv) the Maximum Lawful Rate.

(b) As used in this Note, "Maximum Lawful Rate" shall mean the highest rate of non-usurious interest that Holder may charge Maker under applicable law.

3. Payment Terms. This Note shall be payable as follows:

(a) Maker shall pay twenty seven (27) equal monthly installments of Seventy Seven Thousand Seven Hundred Seventy Eight Dollars ($77,778) beginning on September 1, 2009, and continuing regularly and monthly on the first (1st) day of each succeeding calendar month through (and including) November 1, 2011;

(b) All payments made on this Note shall be applied, first, to accrued unpaid interest and then to principal;

(c) This Note shall mature on November 1, 2011, when all remaining amounts owed on this Note, including all outstanding principal and accrued unpaid interest shall be due and payable in full.

DJO
Initialed by Maker

4. Limitations on Prepayment; Prepayment Fee.

(a) No payment may be made under this Note (whether of principal or interest) prior to its scheduled maturity except (i) with the prior written consent of Holder, (ii) upon the acceleration of the maturity of this Note by Holder following the occurrence of an Event of Default as set forth in Section 6 of this Note, or (iii) if Holder consents to any prepayments effected by way of set offs authorized in Section 12 of this Note and the Purchase Agreement.

(b) Any partial prepayment shall be applied to the scheduled payments set forth in Section 3 above in order of maturity.

(c) If there is a payment of any amount (whether principal or interest, and whether such payment is made with the consent of Holder, by way of acceleration after the occurrence of an Event of Default or otherwise, including a draw upon the letter of credit in respect of amounts due and owing hereunder and not paid when due) under this Note prior to the date such amount is scheduled for payment as set forth in Section 3, in addition to the principal and/or accrued interest so prepaid, Maker shall pay to Holder contemporaneously with such prepayment a Prepayment Fee equal to:

(i) the present value of the prepaid amount (whether principal, interest, or both) based upon (A) the assumption that such amount was not prepaid but paid as scheduled in Section 3 of this Note and (B) a discount rate of four percent (4%) per annum; minus

(ii) the amount of principal prepaid.

In accordance with the provisions of Section 306.005 of the Texas Finance Code, Holder and Maker agree that the Prepayment Fee provided for in this Section 4 shall not be considered interest and is, instead, a reasonable method of compensating Holder for the loss of its bargain in the event of a prepayment.

5. Letter of Credit. This Note is entitled to the benefits of that certain Letter of Credit Number NZS584009 issued by Wells Fargo Bank, N.A. ("Issuer") in the amount of Two Million One Hundred Thousand Dollars ($2,100,000) and by all successor letters of credit (collectively, the "Letter of Credit"). Holder shall be entitled to draw on the Letter of Credit any amount due and owing under this Note which amount is not paid when due, including accrued interest and outstanding principal, together with any Prepayment Fee for which Maker is obligated.

6. Events of Default. Any of the following shall be deemed to be an "Event of Default" under this Note:

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Initialed by Maker

(a) Maker fails to pay fully and timely any principal or interest due on this Note, and such failure continues for thirty (30) days after written notice of such failure is provided to Maker by Holder; or

(b) The occurrence and continuation of a "Purchaser Payment Default" pursuant to Section 3.4 of the Purchase Agreement (as such term is defined therein).

Upon the occurrence and during the continuance of an Event of Default, Holder may, by written notice to Maker, declare the then unpaid principal amount of indebtedness evidenced by this Note to be due, and such amount shall be immediately payable by Maker, together with any accrued unpaid interest to such date. In the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on the same, or the same is collected through probate, bankruptcy or other judicial proceedings, then the Maker agrees and promises to pay reasonable attorney's fees, court costs and costs of collection incurred by the Holder.

7. Usury Savings Clause. All agreements and transactions among the Maker and the Holder, whether now existing or hereafter arising, whether contained herein or in any other instrument, and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the maturity hereof, late payment, prepayment, demand for prepayment or otherwise, shall the amount of interest contracted for, charged or received by the Holder from the Maker for the use, forbearance, or detention of the principal indebtedness or interest hereof, which remains unpaid from time to time, exceed the maximum amount permissible under applicable law, it particularly being the intention of the parties hereto to conform strictly to the applicable laws of usury of the State of Texas and the United States. Any interest payable hereunder or under any other instrument relating to the indebtedness evidenced hereby that is in excess of the legal maximum, shall, in the event of acceleration of maturity, late payment, prepayment, demand or otherwise, be applied to a reduction of the unrepaid indebtedness hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of such unrepaid indebtedness, such excess shall be refunded to the Maker. To the extent not prohibited by law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full term of the loan, all interest at any time contracted for, charged or received from the Maker in connection with the loan, so that the actual rate of interest on account of such indebtedness is uniform throughout the term thereof.

8. Waivers and Consents. Except as expressly set forth in Section 6 above, Maker waives presentment for payment, demand, notice of intent to accelerate, notice of acceleration, protest and notice of protest, dishonor and diligence in collecting and the bringing of suit against any other party, and agrees to all renewals, extensions,

DJO

Initialed by Maker

partial payments, releases and substitutions of security, in whole or in part, with or without notice, before or after maturity.

9. Governing Laws and Venue. This Note will be construed and enforced in accordance with and governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof. Both the Maker and Holder hereby irrevocably submit to the exclusive jurisdiction of the Federal courts of the United States of America located in Austin, Texas, or in the absence of jurisdiction, the state court of the State of Texas located in Austin, Texas. Both the Maker and Holder acknowledge that such courts shall constitute proper and convenient forums for the resolution of any actions among the Maker and the Holder with respect to the subject matter hereof, and agrees that such courts shall be the sole and exclusive forums for the resolution of any actions among the Maker and the Holder with respect to the subject matter hereof.

EACH OF THE MAKER AND HOLDER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10. Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Note, will be deemed to have been duly given when delivered in person or when dispatched by email or telecopier (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Maker, to:

Chuy's Opco, Inc.
c/o Goode Partners LLC
667 Madison Avenue
21st Floor
New York, New York 10021
Facsimile No.: 212-317-2827
Attention: David J. Oddi
E-Mail: doddi@goodepartners.com

with a copy to:

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Robert A. Profusek, Esq.
E-Mail: raprofusek@jonesday.com

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Initialed by Maker

If to Holder, to:

Three Star Management, Ltd.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: 512-476-5157
Attention: Mike Young/John Zapp
E-Mail: myoung@austin.rr.com

with a copy to:

Graves, Dougherty, Hearon & Moody, P.C.
401 Congress Avenue, Suite 2200
Austin, Texas 78701
Facsimile No.: 512-478-1976
Attention: Clarke Heidrick, Esq.
E-Mail: cheidrick@gdhm.com

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

11. No Assignment by Holder. This Note may not be assigned or pledged without the prior written consent of Maker.

12. Set-Off. Maker shall not have the right to set off against this Note any amounts owed by Holder to Maker except as expressly provided for in the Purchase Agreement.

13. Amendment. This Note may not be amended or supplemented at any time without the prior written consent of the Maker and Holder.

DJO
Initialed by Maker

CHUY'S OPCO, INC.

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

AGREED AND ACCEPTED:

THREE STAR MANAGEMENT, LTD.

By: Three Star Management GP, LLC,
its *sole general partner*

By: /s/ Michael R. Young
Name: Michael R. Young
Title: President

DJO
Initialed by Maker

Exhibit 10.18

FORM OF
SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "Agreement"), dated , by and between Chuy's Holdings, Inc., a Delaware corporation (the "Company"), and, of the Company (the "Investor").

RECITAL:

The Investor desires to invest in the Company in return for shares of common stock, par value $0.01 per share, of the Company ("Common Stock"), and in connection with such investment, the Investor and the Company desire to set forth certain rights and obligations as provided herein.

Accordingly, the parties hereto agree as follows:

I. ISSUANCE OF SHARES

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement, simultaneously with the execution hereof, the Company will sell to the Investor, and the Investor will acquire from the Company, shares of Common Stock (collectively, the "Shares") for an aggregate purchase price of $ (the "Purchase Price") on the date hereof (the "Closing Date"). Upon acknowledgement of receipt of the Purchase Price by the Company, the Company will issue and deliver the Shares to the Investor.

II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 The Company hereby represents and warrants to Investor as follows:

(a) Existence and Good Standing. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) Capital Stock. The authorized capital stock of the Company consists solely of 60,500,000 shares of capital stock, of which 32,777,778 shares are classified and designated as Common Stock, 25,000,000 shares classified and designated as Series A Preferred Stock, and 2,722,222 shares are classified and designated as Series B Preferred Stock. Immediately prior to the Closing, 25,000,000 shares of Series A Preferred Stock and 2,722,222 shares of Series B Preferred Stock are the only issued and outstanding shares of capital stock of the Company. Immediately following the Closing, there will be 25,000,000 shares of Series A Preferred Stock issued and outstanding, 2,722,222 shares of Series B Preferred Stock issued and outstanding, and shares of Common Stock issued and outstanding.

(c) Power. The Company has the corporate power and authority to execute, deliver and perform fully its obligations under this Agreement.

(d) Validity and Enforceability. The Company has the capacity to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Company and represents the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of the Company is or will be required in connection with the transactions contemplated hereby.

(e) No Conflict. Neither the execution of this Agreement nor the performance by the Company of its obligations hereunder will (i) violate or conflict with the Company's Certificate of Incorporation or Bylaws or any applicable law or order, (ii) violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which the Company is a party or (iii) result in the creation or imposition of any lien with respect to, or otherwise have an adverse effect upon, any of the assets or properties of the Company.

(f) Consents. No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by the Company of this Agreement or the consummation by the Company of the transactions contemplated by this Agreement.

(g) Litigation. There are no judicial or administrative actions, proceedings or investigations pending or, to the knowledge of the Company, threatened that question the validity of this Agreement or any of the transactions contemplated hereby.

(h) No Indebtedness. Except as otherwise described in Schedule 2.1(h) attached hereto there is no indebtedness of the Company or any of the Subsidiaries existing as of the Closing.

(i) Ownership of the Company. Upon the issuance of all Shares to the Investor at the Closing, each issued and outstanding Share will be duly authorized, validly issued and outstanding, fully paid and nonassessable.

(j) Organization. The Certificate of Incorporation of the Company, as amended, has been approved by the necessary corporate action of the Company, has been filed with the Secretary of State of Delaware and is in full force and effect. Each Subsidiary is duly incorporated or formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Bylaws of the Company have been approved by the necessary corporate action of the Company, and are in full force and effect. The bylaws or operating agreement, as applicable, of each Subsidiary have been approved by the necessary corporate action of each Subsidiary, and are in full force and effect.

(k) Stockholder Rights. Other than as may be provided in or contemplated by the Stockholders Agreement, the Company has not granted preemptive, registration or similar rights with respect to the Shares to any party. The Investor acknowledges that the issuance, from time to time, to management of the Company or any of its subsidiaries, of options to purchase common stock of the Company or other equity-based incentive awards, pursuant to the Company's 2006 Stock Option Plan or such other plan(s) adopted by the Company will not be deemed to be in conflict with this representation.

III. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

3.1 The Investor hereby represents and warrants to the Company and agrees with the Company as follows:

(a) Investor has such knowledge and experience in financial and business matters that Investor is capable of protecting Investor's own interests in connection with the purchase of the Shares (and any securities of the Company or any other issuer issued, distributed or otherwise received in exchange therefor or upon conversion thereof or as a dividend or distribution on or otherwise in respect thereof ("Successor Securities")) and evaluating the merits and risks of Investor's investment in the Company.

(b) Investor and Investor's advisors have such knowledge and experience in financial, tax and business matters so as to enable Investor to utilize the information made available to Investor in connection with the investment contemplated hereby to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto. Investor is familiar with the type of investment that the Shares (and any Successor Securities thereto) constitute and recognizes that an investment in the Company involves substantial risks, including risk of loss of the entire amount of such investment. Investor can bear the economic risk of the purchase of the Shares (and any Successor Securities thereto) and of the loss of the entire amount of the investment.

(c) Investor is aware that there are limitations and restrictions on the circumstances under which Investor may offer to sell, transfer or otherwise dispose of the Shares (and any Successor Securities thereto). Such limitations and restrictions include those set forth in the Stockholders Agreement, the Agreement, dated as of , between Chuy's Opco, Inc. and Investor (the "Agreement"), and those imposed by operation of applicable securities laws and regulations. Investor acknowledges that as a result of such limitations and restrictions, it might not be possible to liquidate an investment in the Shares (and any Successor Securities thereto) readily and that it may be necessary to hold such investment for an indefinite period.

(d) In evaluating the suitability of an investment in the Company, Investor has not relied upon any oral or written representations or other information from any other Investor, the Company or any affiliate of the Company or any agent or

representative of the Company or its affiliates except as set forth herein. Investor and Investor's advisors have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the terms and conditions of the offering of the Shares (and any Successor Securities thereto), have had all such questions answered to Investor's satisfaction and have had access to, and been supplied with, all additional information deemed necessary by Investor to verify the accuracy of such information.

(e) No person, including the Company and its affiliates and each of their managers, officers or their agents or employees, has warranted to Investor, either expressly or by implication, in respect of the profit or loss (including tax write-offs and/or tax benefits) to be realized, if any, as a result of Investor's investment in the Shares (and any Successor Securities thereto).

(f) Investor is purchasing the Shares (and any Successor Securities thereto) for Investor's own account, for investment and not with a view to resale or distribution except in compliance with the Securities Act of 1933, as amended (the "Securities Act"), the Stockholders Agreement, and the Agreement. Investor agrees not to sell or otherwise transfer the Shares (and any Successor Securities thereto) without registration under the Securities Act or applicable state securities laws or an exemption therefrom and without complying with the applicable provisions of the Stockholders Agreement and the Agreement. Investor acknowledges that the Shares (and any Successor Securities thereto) have not been and, except as provided in the Stockholders Agreement, will not be registered under the Securities Act or the securities laws of any state.

(g) Investor's principal residence for tax purposes is:

(h) Investor agrees not to transfer or assign this Agreement or any interest herein or rights hereunder without the prior written consent of the Company and, any purported transfer without such prior written consent will be null and void.

(i) Investor has the requisite power and authority to enter into this Agreement and to undertake and complete the transactions contemplated herein.

(j) Neither the execution of this Agreement nor the performance by Investor of Investor's obligations hereunder will violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which Investor is a party.

(k) No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by

Investor of this Agreement or the consummation by Investor of the transactions contemplated by this Agreement.

(l) This Agreement has been duly and validly executed and delivered by Investor and constitutes the legal, valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of Investor is or will be required in connection with the transactions contemplated hereby.

(m) Investor hereby agrees to indemnify the Company and its affiliates and hold them harmless against all liabilities, claims, costs or expenses arising out of or resulting from any misrepresentation or breach of any covenant made by Investor in Section 3.1 of this Agreement.

IV. MISCELLANEOUS

4.1 Governing Law. The Agreement will be governed by and construed, interpreted and enforced in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws thereof.

4.2 Waiver. Compliance with the provisions of this Agreement may be waived only by a written instrument specifically referring to this Agreement and signed by the party waiving compliance. No course of dealing, nor any failure or delay in exercising any right, will be construed as a waiver, and no single or partial exercise of a right will preclude any other or further exercise of that or any other right.

4.3 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto and incorporated herein by this reference) is the exclusive statement of the agreement among the parties concerning the subject matter hereof. All negotiations, disclosures, discussions and investigations relating to the subject matter of this Agreement are merged into this Agreement, and there are no representations, warranties, covenants, understandings or agreements, oral or otherwise, relating to the subject matter of this Agreement, other than those included or referenced herein.

4.4 Additional Information. Investor agrees that Investor will provide such additional information as the Company may reasonably request in evaluating Investor's suitability to make this investment.

4.5 Survival of Representations and Warranties. All representations, warranties, covenants and agreements set forth in this Agreement will survive the execution and delivery of this Agreement and the closing and the consummation of the transactions contemplated hereby, regardless of any investigation made by Investor or on its behalf.

4.6 Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be

deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Company, to:

Chuy's Holdings, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: [ ]
Attention: John Zapp and Sharon Russell

with copies to:

Goode Partners LLC
767 Third Avenue
22nd Floor
New York, New York 10017
Facsimile No.: 212-317-2827
Attention: David J. Oddi

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Randi C. Lesnick, Esq.

If to the Investor, to:

Facsimile No.: [ ]

with a copy to:

[ ]
Facsimile No.: [ ]
Attention: [ ]

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

4.7 Successors and Assigns. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and, except as provided herein, their respective successors and permitted assigns.

4.8 Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected.

4.9 Dispute Escalation and Binding Arbitration; Jurisdiction. (a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, the Company will appoint a designated senior business executive whose task it will be to meet with the Investor for the purpose of endeavoring to resolve the Dispute. The designated executive and the Investor will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executive and the Investor will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executive and the Investor but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executive and the Investor, as applicable, that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 4.9(a), will be resolved by final and binding arbitration administered by JAMS conducted in accordance with and subject to the Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"). The Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 4.9 will take place in Austin, Travis County, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the Arbitrator, if applicable;

provided, however, that the non-prevailing party shall be responsible for all costs and expenses relating to the arbitration (including attorneys fees, travel and other fees and expenses incurred in connection with the investigation, preparation, pursuit, defense or assistance with the defense of any matter presented for arbitration) and shall reimburse the prevailing party within 30 Business Days after presentation by the prevailing party of reasonable evidence of such costs and expenses. Other than those matters involving injunctive relief or any action necessary to enforce the award of the Arbitrator, the parties agree that the provisions of this Section 4.9 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.10 Headings and Counterparts. The headings in this Agreement are for convenience of reference only and will not constitute a part of this Agreement, nor will they affect its meaning, construction or effect. This Agreement may be executed in counterparts, each of which when so executed will be deemed to be an original, and all of which when taken together will constitute one and the same instrument.

4.11 Further Assurances. Each party will cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.12 Expenses. Each of the Parties hereto will bear its own respective expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby.

4.13 Certain Interpretive Matters.

(a) Unless the context otherwise requires: (i) all references to Sections, are to Sections of this Agreement; (ii) each term defined in this Agreement has the meaning assigned to it; (iii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with generally accepted accounting principles; and (iv) words in the singular include the plural and vice-versa; (v) the term "including" means "including without limitation". All references to laws in this Agreement will include any applicable amendments thereunder. All references to $ or dollar amounts will be to lawful currency of the United States. To the extent the term "day" or "days" is used, it will mean calendar days (unless referred to as a "Business Day").

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

4.14 No Announcements. The Investor will not issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of the Company. Nothing contained herein will prohibit any party hereto from issuing or causing publication of any press release, announcement or public communication to the extent that such party determines in good faith following consultation with outside legal counsel that such action is required by law or the rules of any national stock exchange applicable to it or its affiliates, in which event the party making such determination will, to the extent practicable in the circumstances, use commercially reasonable efforts to consult with the other party in good faith with respect to the context and actual text of such release or announcement in advance of its issuance.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Investor and the Company have caused this Agreement to be duly executed as of the date first written above.

CHUY'S HOLDINGS, INC.

By: _____
Name:
Title:

By: _____
Name:

Attachments:

Schedule 2.1(h) – Indebtedness

Schedule 1

The table below sets forth the parties to this Subscription Agreement, the number of shares and the price at which each agreed to purchase such shares.

Name	Number of Shares	Price Per Share	Date
Steve Hislop	280,000	$ 1.00	May 19, 2008
Frank Biller	92,166	$ 2.17	April 23, 2009

Exhibit 10.19

FORM OF
SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "Agreement"), dated December , 2010, by and between Chuy's Holdings, Inc., a Delaware corporation (the "Company"), and (the "Investor").

RECITAL:

The Investor desires to invest in the Company in return for shares of common stock, par value $0.01 per share, of the Company ("Common Stock"), and in connection with such investment, the Investor and the Company desire to set forth certain rights and obligations as provided herein.

Accordingly, the parties hereto agree as follows:

I. ISSUANCE OF SHARES

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement, simultaneously with the execution hereof, the Company will sell to the Investor, and the Investor will acquire from the Company (the "Closing"), shares of Common Stock (collectively, the "Shares") for an aggregate purchase price of $ (the "Purchase Price") on the date hereof (the "Closing Date"). Upon acknowledgement of receipt of the Purchase Price by the Company, the Company will issue and deliver the Shares to the Investor.

II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 The Company hereby represents and warrants to Investor as follows:

(a) Existence and Good Standing. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) Capital Stock. The authorized capital stock of the Company consists solely of 62,000,000 shares of capital stock, of which 32,601,462 shares are classified and designated as Common Stock, 25,000,000 shares classified and designated as Series A Preferred Stock, 2,722,222 shares are classified and designated as Series B Preferred Stock and 1,676,316 shares are classified and designated as Series X Preferred Stock. Immediately prior to the Closing, 25,000,000 shares of Series A Preferred Stock, 2,722,222 shares of Series B Preferred Stock, 1,676,316 shares of Series X Preferred Stock and 372,166 shares of Common Stock are the only issued and outstanding shares of capital stock of the Company. In addition, option holders of the Company have been granted options to purchase 2,624,334 shares of common stock. Concurrently with the execution of this Agreement, the Company is granting additional subscription rights pursuant to which an additional shares of Common Stock may be issued if subscribed for.

Immediately following the Closing, there will be 25,000,000 shares of Series A Preferred Stock issued and outstanding, 2,722,222 shares of Series B Preferred Stock issued, 1,676,316 shares of Series X Preferred Stock and outstanding, and, assuming the simultaneous exercise of the subscription rights described in the preceding sentence and no exercise of issued and outstanding options, shares of Common Stock issued and outstanding.

(c) Power. The Company has the corporate power and authority to execute, deliver and perform fully its obligations under this Agreement.

(d) Validity and Enforceability. The Company has the capacity to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Company and represents the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of the Company is or will be required in connection with the transactions contemplated hereby.

(e) No Conflict. Neither the execution of this Agreement nor the performance by the Company of its obligations hereunder will (i) violate or conflict with the Company's Certificate of Incorporation or Bylaws or any applicable law or order, (ii) violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which the Company is a party or (iii) result in the creation or imposition of any lien with respect to, or otherwise have an adverse effect upon, any of the assets or properties of the Company.

(f) Consents. No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by the Company of this Agreement or the consummation by the Company of the transactions contemplated by this Agreement.

(g) Litigation. There are no judicial or administrative actions, proceedings or investigations pending or, to the knowledge of the Company, threatened that question the validity of this Agreement or any of the transactions contemplated hereby.

(h) No Indebtedness. Except as otherwise described in Schedule 2.1(h) attached hereto none of the Company or any of the Subsidiaries have any indebtedness for borrowed money outstanding as of the Closing.

(i) Ownership of the Company. Upon the issuance of all Shares to the Investor at the Closing, each issued and outstanding Share will be duly authorized, validly issued and outstanding, fully paid and nonassessable.

(j) Organization. The Certificate of Incorporation of the Company, as amended, has been approved by the necessary corporate action of the Company, has been filed with the Secretary of State of Delaware and is in full force and effect. Each Subsidiary is duly incorporated or formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Bylaws of the Company have been approved by the necessary corporate action of the Company, and are in full force and effect. The bylaws or operating agreement, as applicable, of each Subsidiary have been approved by the necessary corporate action of each Subsidiary, and are in full force and effect.

(k) Stockholder Rights. Other than as may be provided in or contemplated by the Stockholders Agreement (the "Stockholders Agreement"), dated as of May 4, 2010, by and among the Company, MY/ZP Equity, LLC, Goode Chuy's Holdings, LLC, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III, LLC, 522 Fifth Avenue Fund, L.P., Steve Hislop and Frank Biller, the Company has not granted preemptive, registration or similar rights with respect to the Shares to any party. The Investor acknowledges that the issuance, from time to time, to management of the Company or any of its subsidiaries, of options to purchase common stock of the Company or other equity-based incentive awards, pursuant to the Company's 2006 Stock Option Plan or such other plan(s) adopted by the Company will not be deemed to be in conflict with this representation.

III. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

3.1 The Investor hereby represents and warrants to the Company and agrees with the Company as follows:

(a) Investor has such knowledge and experience in financial and business matters that Investor is capable of protecting Investor's own interests in connection with the purchase of the Shares (and any securities of the Company or any other issuer issued, distributed or otherwise received in exchange therefor or upon conversion thereof or as a dividend or distribution on or otherwise in respect thereof ("Successor Securities")) and evaluating the merits and risks of Investor's investment in the Company.

(b) Investor and Investor's advisors have such knowledge and experience in financial, tax and business matters so as to enable Investor to utilize the information made available to Investor in connection with the investment contemplated hereby to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto. Investor is familiar with the type of investment that the Shares (and any Successor Securities thereto) constitute and recognizes that an investment in the Company involves substantial risks, including risk of loss of the entire amount of such investment. Investor can bear the economic risk of the purchase of the Shares (and any Successor Securities thereto) and of the loss of the entire amount of the investment.

(c) Investor is aware that there are limitations and restrictions on the circumstances under which Investor may offer to sell, transfer or otherwise dispose of the Shares (and any Successor Securities thereto). Such limitations and restrictions include those set forth in the Stockholders Agreement, the Right to Repurchase Agreement, dated as of December , 2010, between the Company and Investor (the "Repurchase Agreement"), and those imposed by operation of applicable securities laws and regulations. Investor acknowledges that as a result of such limitations and restrictions, it might not be possible to liquidate an investment in the Shares (and any Successor Securities thereto) readily and that it may be necessary to hold such investment for an indefinite period.

(d) In evaluating the suitability of an investment in the Company, Investor has not relied upon any oral or written representations or other information from any other Investor, the Company or any affiliate of the Company or any agent or representative of the Company or its affiliates except as set forth herein. Investor and Investor's advisors have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the terms and conditions of the offering of the Shares (and any Successor Securities thereto), have had all such questions answered to Investor's satisfaction and have had access to, and been supplied with, all additional information deemed necessary by Investor to verify the accuracy of such information.

(e) No person, including the Company and its affiliates and each of their managers, officers or their agents or employees, has warranted to Investor, either expressly or by implication, in respect of the profit or loss (including tax write-offs and/or tax benefits) to be realized, if any, as a result of Investor's investment in the Shares (and any Successor Securities thereto).

(f) Investor is purchasing the Shares (and any Successor Securities thereto) for Investor's own account, for investment and not with a view to resale or distribution except in compliance with the Securities Act of 1933, as amended (the "Securities Act"), the Stockholders Agreement, and the Employment Agreement. Investor agrees not to sell or otherwise transfer the Shares (and any Successor Securities thereto) without registration under the Securities Act or applicable state securities laws or an exemption therefrom and without complying with the applicable provisions of the Stockholders Agreement and the Employment Agreement. Investor acknowledges that the Shares (and any Successor Securities thereto) have not been and, except as provided in the Stockholders Agreement, will not be registered under the Securities Act or the securities laws of any state.

(g) Investor's principal residence for tax purposes is:

(h) Investor agrees not to transfer or assign this Agreement or any interest herein or rights hereunder without the prior written consent of the Company and, any purported transfer without such prior written consent will be null and void.

(i) Investor has the requisite power and authority to enter into this Agreement and to undertake and complete the transactions contemplated herein.

(j) Neither the execution of this Agreement nor the performance by Investor of Investor's obligations hereunder will violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which Investor is a party.

(k) No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by Investor of this Agreement or the consummation by Investor of the transactions contemplated by this Agreement.

(l) This Agreement has been duly and validly executed and delivered by Investor and constitutes the legal, valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of Investor is or will be required in connection with the transactions contemplated hereby.

(m) Investor hereby agrees to indemnify the Company and its affiliates and hold them harmless against all liabilities, claims, costs or expenses arising out of or resulting from any misrepresentation or breach of any covenant made by Investor in Section 3.1 of this Agreement.

IV. MISCELLANEOUS

4.1 Governing Law. The Agreement will be governed by and construed, interpreted and enforced in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws thereof.

4.2 Waiver. Compliance with the provisions of this Agreement may be waived only by a written instrument specifically referring to this Agreement and signed by the party waiving compliance. No course of dealing, nor any failure or delay in exercising any right, will be construed as a waiver, and no single or partial exercise of a right will preclude any other or further exercise of that or any other right.

4.3 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto and incorporated herein by this reference) is the exclusive statement of the agreement among the parties concerning the subject matter hereof. All

negotiations, disclosures, discussions and investigations relating to the subject matter of this Agreement are merged into this Agreement, and there are no representations, warranties, covenants, understandings or agreements, oral or otherwise, relating to the subject matter of this Agreement, other than those included or referenced herein.

4.4 Additional Information. Investor agrees that Investor will provide such additional information as the Company may reasonably request in evaluating Investor's suitability to make this investment.

4.5 Survival of Representations and Warranties. All representations, warranties, covenants and agreements set forth in this Agreement will survive the execution and delivery of this Agreement and the closing and the consummation of the transactions contemplated hereby, regardless of any investigation made by Investor or on its behalf.

4.6 Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Company, to:

Chuy's Holdings, Inc.
1623 Toomey Road
Austin, Texas 78704
Facsimile No.: [ ]
Attention: John Zapp and Sharon Russell

with copies to:

Goode Partners LLC
767 Third Avenue
22nd Floor
New York, New York 10017
Facsimile No.: 212-317-2827
Attention: David J. Oddi

Jones Day
222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Randi C. Lesnick

If to the Investor, to:

Facsimile No.: [ ]

with a copy to:

[ ]
Facsimile No.: [ ]
Attention: [ ]

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

4.7 Successors and Assigns. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and, except as provided herein, their respective successors and permitted assigns.

4.8 Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected.

4.9 Dispute Escalation and Binding Arbitration; Jurisdiction. (a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, the Company will appoint a designated senior business executive whose task it will be to meet with the Investor for the purpose of endeavoring to resolve the Dispute. The designated executive and the Investor will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executive and the Investor will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executive and the Investor but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executive and the Investor, as applicable, that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 4.9(a), will be resolved by final and binding arbitration administered by JAMS conducted in accordance with and subject to the

Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court judge) (the "Arbitrator"). The Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 4.9 will take place in Austin, Travis County, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the Arbitrator, if applicable; provided, however, that the non-prevailing party shall be responsible for all costs and expenses relating to the arbitration (including attorneys fees, travel and other fees and expenses incurred in connection with the investigation, preparation, pursuit, defense or assistance with the defense of any matter presented for arbitration) and shall reimburse the prevailing party within 30 Business Days after presentation by the prevailing party of reasonable evidence of such costs and expenses. Other than those matters involving injunctive relief or any action necessary to enforce the award of the Arbitrator, the parties agree that the provisions of this Section 4.9 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.10 Headings and Counterparts. The headings in this Agreement are for convenience of reference only and will not constitute a part of this Agreement, nor will they affect its meaning, construction or effect. This Agreement may be executed in counterparts, each of which when so executed will be deemed to be an original, and all of which when taken together will constitute one and the same instrument.

4.11 Further Assurances. Each party will cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.12 Expenses. Each of the Parties hereto will bear its own respective expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby.

4.13 Certain Interpretive Matters.

(a) Unless the context otherwise requires: (i) all references to Sections, are to Sections of this Agreement; (ii) each term defined in this Agreement has the meaning assigned to it; (iii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with generally accepted accounting principles; and (iv) words in the singular include the plural and vice-versa; (v) the term "including" means "including without limitation". All references to laws in this Agreement will include any applicable amendments thereunder. All references to $ or dollar amounts will be to lawful currency of the United States. To the extent the term "day" or "days" is used, it will mean calendar days (unless referred to as a "Business Day").

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

4.14 No Announcements. The Investor will not issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of the Company. Nothing contained herein will prohibit any party hereto from issuing or causing publication of any press release, announcement or public communication to the extent that such party determines in good faith following consultation with outside legal counsel that such action is required by law or the rules of any national stock exchange applicable to it or its affiliates, in which event the party making such determination will, to the extent practicable in the circumstances, use commercially reasonable efforts to consult with the other party in good faith with respect to the context and actual text of such release or announcement in advance of its issuance.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Investor and the Company have caused this Agreement to be duly executed as of the date first written above.

CHUY'S HOLDINGS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Attachments:

Schedule 2.1(h) – Indebtedness

Schedule 1

The table below sets forth the parties to this Subscription Agreement, the number of shares and the price at which each agreed to purchase such shares.

Name	Number of Shares	Price Per Share
Ted Zapp	27,500	$ 3.64
Sharon Russell	27,500	$ 3.64
Michael Hatcher	13,750	$ 3.64

Exhibit 10.20

FORM OF
SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "Agreement"), dated May , 2010, by and between Chuy's Holdings, Inc., a Delaware corporation (the "Company"), and (the "Investor").

RECITAL:

The Investor desires to invest in the Company in return for shares of Series X Preferred Stock, par value $0.01 per share, of the Company, and in connection with such investment, the Investor and the Company desire to set forth certain rights and obligations as provided herein.

Accordingly, the parties hereto agree as follows:

I. ISSUANCE OF SHARES

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement, simultaneously with the execution hereof, the Company will sell to the Investor, and the Investor will acquire from the Company, shares of Series X Preferred Stock (collectively, the "Shares") for an aggregate purchase price of $ (the "Purchase Price"). The Purchase Price will be paid by wire transfer in immediately available funds to an account designated by the Company and, concurrently therewith, the Company will issue and deliver the Shares to the Investor.

1.2 Closing. The closing of the transactions described in Section 1.1 (the "Share Purchase Closing") will take place on the date the Purchase Price is paid to the Company.

II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 The Company hereby represents and warrants to Investor as follows:

(a) Existence and Good Standing. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) Capital Stock. The authorized capital stock of the Company consists solely of 62,000,000 shares of capital stock, of which 32,601,462 shares are classified and designated as common stock, 25,000,000 shares classified and designated as Series A Preferred Stock, 2,722,222 shares are classified and designated as Series B Preferred Stock and 1,676,316 shares are classified and designated as Series X Preferred Stock. Immediately prior to the Share Purchase Closing, 25,000,000 shares of Series A Preferred Stock, 2,722,222 shares of Series B Preferred Stock and 372,166 shares of common stock are the only issued and outstanding shares of capital stock of the Company.

(c) Subsidiaries. Schedule 2.1(c) sets forth a true and complete list of the direct and indirect subsidiaries of the Company as of the Share Purchase Closing (the "Subsidiaries") and the number of authorized, issued and outstanding shares or equity interests of each Subsidiary. The sole asset of the Company is 100 shares of common stock of Chuy's Opco, Inc., a Delaware corporation ("Chuy's Opco"), which represents all of the issued and outstanding capital stock of Chuy's Opco.

(d) Power. The Company has the corporate power and authority to execute, deliver and perform fully its obligations under this Agreement.

(e) Validity and Enforceability. The Company has the capacity to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Company and represents the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of the Company is or will be required in connection with the transactions contemplated hereby.

(f) No Conflict. Neither the execution of this Agreement nor the performance by the Company of its obligations hereunder will (i) violate or conflict with the Company's Certificate of Incorporation or Bylaws or any applicable law or order, (ii) violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which the Company is a party or (iii) result in the creation or imposition of any lien with respect to, or otherwise have an adverse effect upon, any of the assets or properties of the Company.

(g) Consents. No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by the Company of this Agreement or the consummation by the Company of the transactions contemplated by this Agreement.

(h) Litigation. There are no judicial or administrative actions, proceedings or investigations pending or, to the knowledge of the Company, threatened that question the validity of this Agreement or any of the transactions contemplated hereby.

(i) No Indebtedness. Except as otherwise described in Schedule 2.1(i) attached hereto there is no indebtedness of the Company or any of the Subsidiaries existing as of the Share Purchase Closing.

(j) Ownership of the Company. Upon the issuance of all Shares to the Investor at the Closing, each issued and outstanding Share will be duly authorized, validly issued and outstanding, fully paid and nonassessable.

(k) Organization. The Amended and Restated Certificate of Incorporation of the Company (in the form attached hereto as Exhibit A) has been approved by the necessary corporate action of the Company, and prior to the Share Purchase Closing will be filed with the Secretary of State of Delaware and at such time will be in full force and effect. Each Subsidiary is duly incorporated or formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Bylaws of the Company (in the form attached hereto as Exhibit B) have been approved by the necessary corporate action of the Company, and are in full force and effect. The bylaws or operating agreement, as applicable, of each Subsidiary have been approved by the necessary corporate action of each Subsidiary, and are in full force and effect.

(l) Stockholder Rights. Other than as may be provided in or contemplated by the Stockholders Agreement dated November 7, 2006, as amended and restated on the date hereof, by and among the Company, the Investor and the other parties thereto (the "Stockholders Agreement") the Company has not granted preemptive, registration or similar rights with respect to the Shares to any party. The Investor acknowledges that the issuance, from time to time, to management of the Company or any of its subsidiaries, of options to purchase common stock of the Company or other equity-based incentive awards, pursuant to the Company's 2006 Stock Option Plan or such other plan(s) adopted by the Company will not be deemed to be in conflict with this representation.

III. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

3.1 The Investor hereby represents and warrants to the Company and agrees with the Company as follows:

(a) Investor has such knowledge and experience in financial and business matters that Investor is capable of protecting Investor's own interests in connection with the purchase of the Shares (and any securities of the Company or any other issuer issued, distributed or otherwise received in exchange therefor or upon conversion thereof or as a dividend or distribution on or otherwise in respect thereof ("Successor Securities")) and evaluating the merits and risks of Investor's investment in the Company.

(b) Investor and Investor's advisors have such knowledge and experience in financial, tax and business matters so as to enable Investor to utilize the information made available to Investor in connection with the investment contemplated hereby to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto. Investor is familiar with the type of investment that the Shares (and any Successor Securities thereto) constitute and recognizes that an investment in the Company involves substantial risks, including risk of loss of the entire amount of such investment. Investor can bear the economic risk of the purchase of the Shares (and any Successor Securities thereto) and of the loss of the entire amount of the investment.

(c) Investor is aware that there are limitations and restrictions on the circumstances under which Investor may offer to sell, transfer or otherwise dispose of the Shares (and any Successor Securities thereto). Such limitations and restrictions include those set forth in the Stockholders Agreement and those imposed by operation of applicable securities laws and regulations. Investor acknowledges that as a result of such limitations and restrictions, it might not be possible to liquidate an investment in the Shares (and any Successor Securities thereto) readily and that it may be necessary to hold such investment for an indefinite period.

(d) In evaluating the suitability of an investment in the Company, Investor has not relied upon any oral or written representations or other information from any other Investor, the Company or any affiliate of the Company or any agent or representative of the Company or its affiliates except as set forth herein. Investor and Investor's advisors have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the terms and conditions of the offering of the Shares (and any Successor Securities thereto), have had all such questions answered to Investor's satisfaction and have had access to, and been supplied with, all additional information deemed necessary by Investor to verify the accuracy of such information.

(e) No person, including the Company and its affiliates and each of their managers, officers or their agents or employees, has warranted to Investor, either expressly or by implication, in respect of the profit or loss (including tax write-offs and/or tax benefits) to be realized, if any, as a result of Investor's investment in the Shares (and any Successor Securities thereto).

(f) Investor is purchasing the Shares (and any Successor Securities thereto) for Investor's own account, for investment and not with a view to resale or distribution except in compliance with the Securities Act of 1933, as amended (the "Securities Act"), and the Stockholders Agreement. Investor agrees not to sell or otherwise transfer the Shares (and any Successor Securities thereto) without registration under the Securities Act or applicable state securities laws or an exemption therefrom and without complying with the applicable provisions of the Stockholders Agreement. Investor acknowledges that the Shares (and any Successor Securities thereto) have not been and, except as provided in the Stockholders Agreement, will not be registered under the Securities Act or the securities laws of any state.

(g) Investor's principal residence for tax purposes is:

(h) Investor agrees not to transfer or assign this Agreement or any interest herein or rights hereunder without the prior written consent of the Company and, any purported transfer without such prior written consent will be null and void.

(i) Investor has the requisite power and authority to enter into this Agreement and to undertake and complete the transactions contemplated herein.

(j) Neither the execution of this Agreement nor the performance by Investor of Investor's obligations hereunder will violate, conflict with or result in a breach or termination of, or otherwise give any person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time or both) a default under the terms of any note, deed, lease, instrument, security agreement, mortgage, commitment, contract, agreement, license or other instrument or oral understanding to which Investor is a party.

(k) No consent, approval or authorization of any person or governmental authority is required in connection with the execution and delivery by Investor of this Agreement or the consummation by Investor of the transactions contemplated by this Agreement.

(l) This Agreement has been duly and validly executed and delivered by Investor and constitutes the legal, valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar laws and principles of equity affecting creditors' rights and remedies generally. No further action on the part of Investor is or will be required in connection with the transactions contemplated hereby.

(m) Investor hereby agrees to indemnify the Company and its affiliates and hold them harmless against all liabilities, claims, costs or expenses arising out of or resulting from any misrepresentation or breach of any covenant made by Investor in Section 3.1 of this Agreement.

IV. MISCELLANEOUS

4.1 Governing Law. The Agreement will be governed by and construed, interpreted and enforced in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws thereof that would cause the application of the laws of another jurisdiction.

4.2 Waiver. Compliance with the provisions of this Agreement may be waived only by a written instrument specifically referring to this Agreement and signed by the party waiving compliance. No course of dealing, nor any failure or delay in exercising any right, will be construed as a waiver, and no single or partial exercise of a right will preclude any other or further exercise of that or any other right.

4.3 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto and incorporated herein by this reference) is the exclusive statement of the agreement among the parties concerning the subject matter hereof. All negotiations, disclosures, discussions and investigations relating to the subject matter of this Agreement are merged into this Agreement, and there are no representations,

warranties, covenants, understandings or agreements, oral or otherwise, relating to the subject matter of this Agreement, other than those included or referenced herein.

4.4 Additional Information. Investor agrees that Investor will provide such additional information as the Company may reasonably request in evaluating Investor's suitability to make this investment.

4.5 Survival of Representations and Warranties. All representations, warranties, covenants and agreements set forth in this Agreement will survive the execution and delivery of this Agreement and the closing and the consummation of the transactions contemplated hereby, regardless of any investigation made by Investor or on its behalf.

4.6 Notices. All notices and other communications required or permitted hereunder will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one Business Day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Company, to:

Chuy's Holdings, Inc.
c/o Goode Partners LLC
767 Third Avenue
22nd Floor
New York, New York 10017
Facsimile No.: 212-317-2827
Attention: David J. Oddi

with a copy to:

Jones Day 222 East 41st Street
New York, New York 10017
Facsimile No.: 212-755-7306
Attention: Randi C. Lesnick

If to the Investor, to:

Facsimile No.:
Attention:

with a copy to:

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

4.7 Successors and Assigns. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

4.8 Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected.

4.9 Dispute Escalation and Binding Arbitration; Jurisdiction. (a) In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, interpretation, breach or termination of this Agreement) (a "Dispute"), then upon the written request of either party, the Company will appoint a designated senior business executive whose task it will be to meet with the Investor for the purpose of endeavoring to resolve the Dispute. The designated executive and the Investor will meet as often as the parties reasonably deem necessary in order to gather and furnish to the other information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. Such executive and the Investor will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executive and the Investor but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (i) a good faith mutual conclusion by the designated executive and the Investor, as applicable, that amicable resolution through continued negotiation of the matter in issue does not appear likely or (ii) the 30th day after the initial request to negotiate the Dispute.

(b) Any Dispute, if not resolved informally through negotiation between the parties as contemplated by Section 4.9(a), will be resolved by final and binding arbitration administered by JAMS conducted in accordance with and subject to the Comprehensive Arbitration Rules and Procedures of JAMS then in effect. One arbitrator will be selected by the parties' mutual agreement or, failing that, by JAMS (provided, that, in any event, the arbitrator must be listed as an approved arbitrator by the Dallas office of JAMS and be a former Texas state civil court judge or federal court

judge) (the "Arbitrator"). The Arbitrator will allow such discovery as is appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost effective resolution of disputes. The Arbitrator will reference the Federal Rules of Civil Procedure then in effect in setting the scope of discovery, except that no requests for admissions will be permitted and interrogatories will be limited to identifying (i) persons with knowledge of relevant facts and (ii) expert witnesses and their opinions and the bases therefore. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Any negotiation, mediation or arbitration conducted pursuant to this Section 4.9 will take place in Austin, Travis County, Texas. Each party will bear its own costs and expenses with respect to any such negotiation or arbitration, including one-half of the fees and expenses of the Arbitrator, if applicable; provided, however, that the non-prevailing party shall be responsible for all costs and expenses relating to the arbitration (including attorneys fees, travel and other fees and expenses incurred in connection with the investigation, preparation, pursuit, defense or assistance with the defense of any matter presented for arbitration) and shall reimburse the prevailing party within 30 Business Days after presentation by the prevailing party of reasonable evidence of such costs and expenses. Other than those matters involving injunctive relief or any action necessary to enforce the award of the Arbitrator, the parties agree that the provisions of this Section 4.9 are a complete defense to any suit, action or other proceeding instituted in any court or before any administrative tribunal with respect to any Dispute.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.10 Headings and Counterparts. The headings in this Agreement are for convenience of reference only and will not constitute a part of this Agreement, nor will they affect its meaning, construction or effect. This Agreement may be executed in counterparts, each of which when so executed will be deemed to be an original, and all of which when taken together will constitute one and the same instrument.

4.11 Further Assurances. Each party will cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.12 Expenses. Each of the Parties hereto will bear its own respective expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby.

4.13 Certain Interpretive Matters.

(a) Unless the context otherwise requires: (i) all references to Sections, are to Sections of this Agreement; (ii) each term defined in this Agreement has the meaning assigned to it; (iii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with generally accepted

accounting principles; and (iv) words in the singular include the plural and vice-versa; (v) the term "including" means "including without limitation". All references to laws in this Agreement will include any applicable amendments thereunder. All references to $ or dollar amounts will be to lawful currency of the United States. To the extent the term "day" or "days" is used, it will mean calendar days (unless referred to as a "Business Day").

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

4.14 No Announcements. No party will issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other party. Nothing contained herein will prohibit any party hereto from issuing or causing publication of any press release, announcement or public communication to the extent that such party determines in good faith following consultation with outside legal counsel that such action is required by law or the rules of any national stock exchange applicable to it or its affiliates, in which event the party making such determination will, to the extent practicable in the circumstances, use commercially reasonable efforts to consult with the other party in good faith with respect to the context and actual text of such release or announcement in advance of its issuance.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Investor and the Company have caused this Agreement to be duly executed as of the date first written above.

CHUY'S HOLDINGS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Attachments:

Schedule 2.1(c) – Subsidiaries
Schedule 2.1(i) – Indebtedness
Exhibit A – Amended and Restated Certificate of Incorporation
Exhibit B – Bylaws

Schedule 1

The table below sets forth the parties to this Subscription Agreement, the number of shares and the price at which each agreed to purchase such shares.

Name	Number of Shares	Price Per Share
Goode Chuy's Direct Investor, LLC	725,853.97	$ 2.98
J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC	718,595.43	$ 2.98
MY/ZP Equity, LLC	197,593.56	$ 2.98
Steve Hislop	20,32391	$ 2.98
522 Fifth Avenue Fund, L.P.	7,258.54	$ 2.98
Frank Biller	6,689.91	$ 2.98

Exhibit 10.21

CHUY'S OPCO, INC
1623 Toomey Road
Austin, Texas 78704

May , 2011

RE: License Exercisable Upon Event of Default Under Lease Agreement

Dear :

Reference is made to that certain (i) Lease Agreement, dated as of (as amended, restated, supplemented or otherwise modified from time to time, the "Lease Agreement"), by and between Chuy's Opco, Inc. ("Chuy's") and , which relates to the Chuy's restaurant located at (the "Restaurant Location") and (ii) letter agreement, dated (the "Letter Agreement"), between Chuy's and , which relates to a license exercisable by upon an event of default by Chuy's under the Lease Agreement. The parties hereto hereby amend and restate the Letter Agreement in its entirety as follows:

Chuy's intends that, following the occurrence of an event of default under the Lease Agreement resulting from the failure of Chuy's to pay rent in accordance with the terms of the Lease Agreement and the termination of Chuy's possession of the Restaurant Location, would be able to continue to operate, among other things, a "Tex-Mex" or "Mexican" food restaurant at the Restaurant Location which would be basically the same as the restaurant operated by Chuy's at the Restaurant Location but without the use of the "Chuy's" trademarks or tradenames or confusingly similar trademarks or tradenames. Notwithstanding the foregoing, agrees to promptly notify each of Chuy's then senior secured bank lender(s) and/or the administrative agent therefore, at the address(es) therefore previously provided to by Chuy's in writing, upon the occurrence of an event of default under the Lease Agreement resulting from the failure of Chuy's to pay rent in accordance with the terms of the Lease Agreement, providing notice of such default and an opportunity to cure such default in the 90-day period following delivery of such notice, and further agrees to refrain from exercising its rights set forth in Section 1 below until the ninety-first day following delivery of the notice described in this sentence. All notices shall be sent by overnight courier, registered or certified mail or by facsimile. Until you receive written notice from Chuy's of the name and address of a replacement senior secured bank lender or agent therefore or a new address for GCI Capital Markets LLC, notice to GCI Capital Markets LLC, at the address set forth on Annex A hereto, shall satisfy the obligation set forth above to send notice to Chuy's senior secured bank lender(s).

To that end, subject to the provisions of the immediately preceding sentence, Chuy's agrees to extend the following rights and licenses to, effective upon execution of this Letter in the space indicated below:

1. Chuy's grants to a limited, non-exclusive, royalty-free, irrevocable license to use, reproduce, modify, improve and create derivative works of all recipes, trade dress and other intellectual property rights of Chuy's (excluding the name "Chuy's" or registered trademarks relating to the same) which are employed by Chuy's in the design, development, ownership, management and operation of the restaurant at the Restaurant Location (as of the date of this Letter and through the date of the event of default under the Lease Agreement) (such recipes, trade dress and other intellectual property being referred to hereinafter, collectively, as the " Licensed IP") for the sole purpose of (or any permitted sublicensee's or transferee's), direct or indirect, design, development, ownership, management and/or continued operation of a restaurant at such Restaurant Location. The term of the license granted under this Section 1 will become effective on the date hereof and will continue for a period of 20 years thereafter and, following the expiration of such initial 20-year period, will automatically renew for additional, successive periods of 10 years, unless terminated by the agreement of both parties. Notwithstanding anything to the contrary, agrees that it will not exercise the right and license granted pursuant to this Section 1 unless and until the occurrence of an event of default resulting from the failure of Chuy's to pay rent in accordance with the terms of the Lease Agreement and the termination of Chuy's possession of the Restaurant location.

2. acknowledges and agrees that the right and license granted to pursuant to Section 1 will not give any ownership rights to the Licensed IP. All rights, title and interest to the Licensed IP used pursuant to the license granted in Section 1 will inure to the benefit of Chuy's. In order to preserve the value of the Licensed IP , agrees to use its reasonable efforts to ensure that all material aspects of the operation of the Restaurant location will be of a standard of quality at least substantially equal to the quality for the Restaurant Location at the termination of Chuy's possession of same. In addition, acknowledges and agrees that (a) all use of the Licensed IP will be in a manner intended to reflect favorably on and preserve the value of the Licensed IP, for the benefit of Chuy's, (b) all right, title and interest in and to the Licensed IP will remain the exclusive property of Chuy's, (c) will not seek any trademark registration for the Licensed IP, and (d) to the extent that is deemed to have acquired any right, title or interest in or to any of the Licensed IP, agrees to assign and transfer all of its right, title and interest in and to such Licensed IP to Chuy's. further agrees to execute and deliver such documents as Chuy's may reasonably request from time to time, for no additional consideration from , to confirm and further implement the intent of this Letter. Furthermore, agrees to promptly notify Chuy's of any and all infringements or attempted infringements of the Licensed IP that come to attention, and will provide reasonable assistance to Chuy's in any action taken by Chuy's with respect to such infringement.

3. Upon prior written notice to Chuy's, may (a) sublicense the right and license granted pursuant to Section 1 above to, or any entity owned by, controlled by or under common control with, any of the foregoing persons (provided, such sublicensees agree to be bound by the restrictions contained in this Letter), or (b) transfer and assign its right and license under Section 1 above to any acquiror of all or substantially all of its

assets (whether by way of merger, asset sale or otherwise), provided such sublicensee or acquiror agrees to be bound by the restrictions contained in this Letter.

4. In the event of any material breach of this Letter by which is not cured within thirty (30) days following delivery of written notice thereof to , Chuy's may terminate this Letter (including the license granted pursuant to Section 1).

5. Notwithstanding any other provision in this Letter, agrees that if an insolvency proceeding is commenced by or against Chuy's, Chuy's as debtor or debtor-in-possession, or a trustee, may assume or assume and assign (or cause to be assumed or assumed and assigned) under Section 365 of Title 11 of the U.S. Code the Lease Agreement free and clear of this Letter, without incorporating any of its terms, and further agrees that it shall not take any action to challenge, directly or indirectly, any such assumption or assumption and assignment on any basis arising from, afforded by or related to this Letter; provided however, that nothing in this Section 5 will waive, limit or impair any right of to challenge, object to, or otherwise oppose any assumption or assumption and assignment on any other basis.

Chuy's acknowledges and agrees that the right and license granted to pursuant to Section 1 will not be deemed to limit or otherwise restrict any other rights or remedies available to upon the occurrence of an event of default under the Lease Agreement.

Each of Chuy's senior secured bank lender(s) from time to time and the administrative agent therefor, if any, shall be a third party beneficiary of this Letter. This Letter may not be amended or modified without the prior written consent of such administrative agent or, if there is no such administrative agent, such senior secured bank lender(s).

If agrees to the terms and conditions set forth in this letter agreement, please sign in the space indicated below and return a copy to Chuy's.

Sincerely,

CHUY'S OPCO, INC.

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

By:

By: _____
Name:
Title:

License Exercisable Upon Event of Default Under Lease Agreement

Schedule 1

The table below sets forth the parties to the License Exercisable Upon Event of Default Under Lease Agreement and the locations covered by such agreements.

Name	Location
Young Zapp North Lamar, Ltd.	10520 N. Lamar Blvd, Austin, Texas 78753
Young Zapp River Oaks, Ltd.	2706 Westheimer Road, Houston, Texas 77089
Young Zapp JVRR, Ltd.	2320 N. I-35, Round Rock, Texas 78681
Young Zapp Hwy 183, Ltd.	11680 N. Research Blvd., Austin Texas 78759
Young Zapp Shenandoah, Ltd.	18035 Interstate 45 South, Shenandoah, Texas 77385
Young Zapp Arbor Trails, Ltd.	4301 W. William Cannon, Bldg. C, Austin Texas 78749

Exhibit 10.22

CHUY'S OPCO, INC.
1623 Toomey Road
Austin, Texas 78704

November 7, 2006

Goode Partners LLC
667 Madison Avenue, 21st Floor
New York, New York 10021

Ladies and Gentlemen:

1. This letter agreement (this "Advisory Agreement") confirms our agreement that Chuy's Opco, Inc., a Delaware corporation (the "Company"), has engaged Goode Partners LLC, a Delaware limited liability company (the "Advisor") to provide financial advisory services to the Company upon the request of the Company from time to time on the terms and conditions set forth herein. These services are to be provided in connection with the development and implementation of the Company's annual business plan and the Company's ongoing business and financial matters, including operating and cash flow requirements, corporate liquidity and other ordinary and necessary corporate finance concerns (including acquisition, advisory and finance matters and any public or private offering of securities). Capitalized terms that are used herein and are not defined have the meanings set forth in that certain Asset Purchase Agreement dated as of November 7, 2006 (the "Purchase Agreement"), by and among the Company, Three Star Management, Ltd. and certain other selling parties identified on the signature pages thereto.

2. In consideration for the Advisor providing such advisory services, the Company agrees to pay the Advisor or its designee (A) a one-time transaction fee in connection with the closing of the Transactions equal to $450,000 plus the reimbursement of all reasonable out-of-pocket expenses incurred by the Advisor or its Affiliates in connection with the Transactions and (B) an annual fee of $350,000 payable until the termination of this Advisory Agreement in accordance with its terms (such annual fee, the "Advisory Fee"). The Advisory Fee will be payable quarterly in advance, with the first such payment due on the Closing Date and subsequent payments due on last business day of each third calendar month thereafter until the termination of this Advisory Agreement as set forth herein. Upon payment of any Advisory Fee to the Advisor by the Company as provided above, such Advisory Fee will be fully-earned by the Advisor and non-refundable.

3. Pursuant to the terms of the Purchase Agreement, the Company has (a) entered into Employment Agreements and Employee Letter Agreements with the individuals identified therein, (b) executed and delivered a Promissory Note payable to Three Star Management, Ltd., and (c) agreed to pay Three Star Management, Ltd., when and as due, any and all Forfeited Amounts. In the event the Company fails to make any payment as required under any of the Employment Agreements, the

Employee Letter Agreements, Promissory Note or the Purchase Agreement with respect to the Forfeited Amounts (each, a " Payment Default"), the Company will immediately suspend payments to the Advisor pursuant to the terms herein for a period of 181 days. In the event a Payment Default is cured at any time during such 181 day period, the Company will promptly resume payments to Advisor and will pay interest on any suspended payment at a rate of 12% per annum. In the event a Payment Default remains uncured following such 181 day period, this Advisory Agreement may be terminated by Three Star Management, Ltd. upon written notice to the Company in accordance with Section 8.1 of the Purchase Agreement. The Advisor (on behalf of itself and any of its Affiliates and persons who are entitled to indemnification or contribution pursuant to Schedule I hereto) (collectively, the "Advisor Parties") agrees that payments on any and all liabilities and obligations of the Company to the Advisor Parties arising out of or relating to this Advisory Agreement, whether presently existing or arising in the future (the "Subordinated Obligations") will at all times be subject, subordinate, and junior, in right of payment, to the prior payment of any and all liabilities and obligations of the Company to Three Star Management, Ltd. arising out of or relating to a Payment Default, whether presently existing or arising in the future (the "Senior Obligations"), that are due and payable at such time. Following the occurrence and during the continuation of a Payment Default, during any suspension of payments upon the occurrence of a Payment Default in accordance with the provisions of this paragraph 3, the Advisor Parties will not demand or receive from the Company (and the Company will not pay or provide to the Advisor Parties) any of the Subordinated Obligations for so long as any portion of the Senior Obligations remains outstanding. In the event that a Payment Default is cured, the Company will promptly resume payments to the Advisor parties and will pay interest on any suspended payment at a rate of 12% per annum.

4. The Advisory Fee is for financial advisory services to be rendered by the Advisor and its employees and partners and Affiliates and not for any such services to be rendered by any other person. Any additional services to be provided by the Advisor, and any additional fee therefor, will be agreed to in writing by the parties.

5. In addition, the Company agrees to reimburse the Advisor promptly upon request from time to time for all reasonable out-of-pocket expenses incurred by the Advisor in connection with the services rendered by the Advisor pursuant to its engagement hereunder.

6. The Advisor hereby acknowledges that none of the persons affiliated with the Advisor and/or designated from time to time by the holders of Class A Preferred Stock of the Company to serve as a director of the Company will be entitled to receive, and the Company will not pay, any annual fee or attendance fee for attending meetings of the board of directors of the Company other than the reimbursement of reasonable out-of-pocket expenses incurred in attending or participating in such board meetings.

7. Subject to the terms set forth herein, the Company agrees to indemnify the Advisor and certain other persons and to limit the Advisor's liability to the Company as set forth in Schedule I hereto, which Schedule constitutes an integral part hereof.

The Company's agreements contained or referred to in this paragraph will survive any termination of this Advisory Agreement.

8. Except for paragraph 3, paragraph 7 and Schedule I hereto (all of which will survive termination of this Advisory Agreement), this Advisory Agreement will (A) automatically terminate when Goode Chuy's Holdings LLC, a Delaware limited liability company and affiliate of the Advisor ("GCH") and all of its Affiliates collectively own less than 20% of the shares of the Company's common stock (assuming full conversion of the Class A Stock Preferred Stock of the Company held by GCH and including securities into which such shares of common stock may be converted and securities that may be issued in exchange or in substitution for such shares of common stock) owned by GCH on the Closing Date and (B) be terminable by the Advisor, at its sole election, upon five days prior written notice to the Company.

9. Nothing in this Advisory Agreement will in any way preclude the Advisor or its Affiliates (other than the Company and its employees) or their respective partners (both general and limited), members (both managing and otherwise), stockholders, officers, directors, employees, agents or representatives from engaging in or investing in any business activities or from performing services for its or their own account or for the account of others, including for companies that may be or are in competition with the (or any) business conducted by the Company.

10. The Advisor agrees to use the same standard of care to maintain the confidentiality of the non-public information related to the Company it receives or has access to by virtue of the provision of services under this Advisory Agreement as it uses to protect its own confidential information. Notwithstanding the foregoing, the Advisor may disclose any such information to (a) its limited partners, potential limited partners, counsel, accountants and other advisors of the Advisor subject to confidentiality obligations to the Advisor and (b) the extent required by law.

11. This Advisory Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and will not be amended except in writing by the Company and the Advisor. No amendment of any provision of this Advisory Agreement shall be effective unless the same shall be in writing and signed by the Company and the Advisor. This Advisory Agreement may be executed in one or more counterparts and all of said counterparts taken together will be deemed to constitute one and the same instrument. No announcement or disclosure of this Advisory Agreement or the contents hereof shall be made by the Company without the prior written consent of the Advisor.

12. This Advisory Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of New York without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. The Company and Advisor hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the federal courts of the Southern District of New York and New York state courts sitting in New York City for any actions, suits or proceedings arising out of or relating to this Advisory Agreement and the transactions contemplated hereby (and agree not to

commence any action, suit or proceeding relating thereto except in such courts, and further agree that service of any process, summons, notice or document by U.S. registered mail to its address set forth above shall be effective service of process for any action, suit or proceeding brought against it in any such court). The Company and advisor hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Advisory Agreement or the transactions contemplated hereby in the federal courts of the Southern District of New York and New York state courts sitting in New York City, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

13. The provisions of this Advisory Agreement are binding upon and inure to the benefit of the parties hereto and their respective successors. Subject to the next sentence, no Person other than the Company, the Advisor and their respective successors is intended to be a beneficiary of this Advisory Agreement. The Company and the Advisor acknowledge and agree that (i) any designee of the Advisor (provided that the designee is an Affiliate of the Advisor) and the respective partners (both general and limited), members (both managing and otherwise), stockholders, officers, directors, managing directors, employees, agents, representatives and affiliates of the Advisor and its designees are third party beneficiaries for purposes of Schedule I to this Advisory Agreement and (ii) Three Star Management, Ltd. is an intended third party beneficiary with the right to enforce Section 3 of this Advisory Agreement.

14. If the foregoing accurately describes our agreement with respect to the foregoing, please so indicate by signing this letter in the space indicated below and returning an executed copy to the undersigned.

[Signature page follows]

Very truly yours,

CHUY'S OPCO, INC.

By: /s/ Sharon A. Russell
Name: Sharon A. Russell
Title: CFO & Treasurer

The foregoing is hereby agreed to and accepted:

GOODE PARTNERS LLC

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Partner

SCHEDULE I

Chuy's Opco, Inc., a Delaware corporation (the "Company"), will indemnify and hold harmless, to the fullest extent permitted by law, Goode Partners LLC (the "Advisor") and its partners (both general and limited), members (both managing and otherwise), stockholders, Affiliates, directors, officers, fiduciaries, employees, advisors, attorneys, representatives and agents and each of the partners, members, stockholders, Affiliates, directors, officers, fiduciaries, employees, advisors, attorneys, representatives and agents of each of the foregoing (collectively, the "Advisor Group") from and against any and all claims, liabilities, damages, losses and expenses, including reasonable fees and expenses of counsel, arising out of or in connection with the services rendered by the Advisor or any member of the Advisor Group (including any services in connection with the closing of the Transactions) under the Advisory Agreement to which this Schedule I is attached or the engagement of the Advisor, whether or not a member of the Advisor Group is a party, whether or not resulting in liability and whether or not any such action, suit, claim, proceeding or investigation is initiated or brought by the Company. The Company will reimburse the Advisor Group for all fees and expenses, (including the reasonable fees and expenses of counsel and any and all expenses incurred investigating, preparing for or defending against any litigation commenced or threatened, or any claim, and any and all amounts paid in settlement of such action, suit, claim, proceeding, investigation or litigation) as they are incurred by the Advisor Group in connection with investigating, preparing, pursuing, defending or assisting in the defense of any action, claim, suit, investigation or proceeding, whether pending or threatened and whether or not the Advisor Group is a party thereto. The Company will not, however, be responsible for any claims, liabilities, damages, losses or expenses to the extent that such claims, liabilities, damages, losses or expenses are finally determined by judgment of a court of competent jurisdiction from which no further appeal may be taken, to have resulted primarily from the gross negligence or willful misconduct of the Advisor Group. The foregoing agreement will be in addition to any rights that the Advisor Group may have at common law or otherwise, including, but not limited to, any right to contribution. The provisions of this Schedule I are intended to be for the benefit of, and will be enforceable by, each member of the Advisor Group and its respective successors, heirs and representatives.

Notwithstanding anything else contained herein, the Company also agrees that the Advisor Group will have no liability to the Company in connection with the services rendered under the Advisory Agreement (whether in tort, contract or otherwise) for claims, liabilities, damages, losses, or expenses, including reasonable fees and expenses of counsel, incurred by the Company unless, and to the extent, they are finally determined by judgment of a court of competent jurisdiction to have resulted primarily from the Advisor Group's gross negligence or willful misconduct.

Notwithstanding anything else in this Schedule I, this Schedule I shall not affect any indemnification obligations set forth in the Purchase Agreement (as defined in the Advisory Agreement).

If indemnification is for any reason not available or insufficient to hold any member of the Advisor Group harmless, the Company agrees to contribute to the liabilities involved in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company, on the one hand, and the Advisor or its designee, on the other hand, with respect to the services, or if such allocation is determined by a court or arbitral tribunal to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Company, on the one hand, and of the Advisor or its designee, on the other hand; provided, however, that to the extent permitted by applicable law, the Advisor Group will not be responsible for amounts which in the aggregate are in excess of the amount of all fees actually received by the Advisor or its designees from the Company with respect to the services rendered in accordance with the Advisory Agreement.

If indemnification is to be sought hereunder by a member of the Advisor Group, then such member will notify the Company of the threat or commencement of any action, suit, claim, investigation or proceeding in respect thereof; provided, however, that the failure to so notify the Company will not relieve the Company from any liability that it may otherwise have to such indemnified person, except to the extent the Company shall have been materially prejudiced by such failure. Following such notification, the Company may elect in writing to assume the defense of such action or proceedings, and upon such election it will not be liable for any legal costs subsequently incurred by such member (other than reasonable costs of investigation) in connection therewith, unless (i) the Company has failed to provide counsel reasonably satisfactory to such member in a timely manner or (ii) counsel to such member reasonably determines that representation of any of such members by counsel for the Company would involve a conflict of interest or that any of such members have a separate and conflicting defense. In any litigation or proceeding, the Company will not be responsible for the fees and expenses of more than one counsel for all members of the Advisor Group claiming indemnification hereunder in any one jurisdiction, unless any of such members has a separate and conflicting defense with regard to such litigation or proceedings, as reasonably determined by the counsel for such member. The Company will not be liable for any settlement of any litigation or proceeding effected without its prior written consent, which consent will not be unreasonably withheld. Should the Company assume the defense of any action, the Company will not, without the Advisor Group's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate such action if such settlement, compromise, consent or termination imposes obligations on any member of the Advisor Group (through injunctive relief or otherwise) other than the payment of money for which such member will be fully indemnified by the Company hereunder. The Company will not permit any settlement, compromise, consent or termination to include a statement

as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party, without such indemnified party's prior written consent.

Prior to entering into any agreement or arrangement with respect to, or effecting, any merger, statutory exchange or other business combination or proposed sale or exchange, dividend or other distribution or liquidation of all or a substantial portion of its assets in one or a series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth herein, the Company will promptly notify the Advisor in writing thereof and, if requested by the Advisor, will arrange in connection therewith alternative means of providing for the obligations of the Company set forth herein, including the assumption of such obligations by another party, insurance, surety bonds, or the creation of an escrow, in each case in an amount and on terms and conditions satisfactory to the Advisor.

The Company acknowledges that in connection with the services provided under the Advisory Agreement, the Advisor and its designees are acting as independent contractors and not in any other capacity with duties owing solely to the Company.

The provisions of this Schedule I will apply to the services provided to the Company by the Advisor and its designee (including related activities prior to the date hereof) and any modification thereof and will remain in full force and effect regardless of the completion or termination of the Advisory Agreement. If any term, provision, covenant or restriction herein is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein will remain in full force and effect and will in no way be affected, impaired or invalidated.

Exhibit 10.23

LEASE AGREEMENT

between

YOUNG ZAPP GRACELAND, LTD., a Texas limited partnership, as Landlord

and

CHUY'S OPCO, INC., a Delaware corporation, as Tenant

November 7, 2006

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of November 7, 2006, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.
Definitions and Basic Provisions.

1.1

(a) "Landlord": Young Zapp Graceland, Ltd., a Texas limited partnership.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's Opco, Inc., a Delaware corporation.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: David J. Oddi.

(e) ' "Property": Approximately 0.691 acres out of the Isaac Decker League in Austin, Texas, more particularly described by metes and bounds on **Exhibit A** attached hereto and incorporated herein.

(f) "Building": That certain building of approximately 8,756 square feet situated on the Premises. The Building includes both office space and warehouse space.

(g) "Premises": The space within the Building that is cross-hatched on the floor plan of the Building attached hereto as **Exhibit B** and incorporated herein.

(h) "Common Area": Those portions of the Property that lie outside of the Building, excluding however, the covered "Shed" (so labeled on the site plan of the Property attached hereto as **Exhibit C** and incorporated herein), and the "Garage" (so labeled on **Exhibit C**).

(i) "Commencement Date": November 7, 2006.

(j) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2016. The Lease Term may be extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit D** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(k) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 2007. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(1) “Base Rent”: The initial Base Rent shall be $9,000.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2009, January 1, 2011, January 1, 2013, and January 1, 2015, and to the extent Tenant properly exercises the renewal options set forth in **Exhibit D**, on January 1, 2017, January 1, 2019, January 1, 2021, January 1, 2023 and January 1, 2025, all in accordance with the provisions of **Exhibit D** and Section 3.2 below.

(m) “Permitted Use”: Use for general and administrative offices and warehouse purposes, and uses incidental and ancillary thereto.

(n) “Retained Areas” shall mean those areas on the Property and in the Building retained by Landlord for Landlord’s exclusive use, including without limitation, those areas labeled “Shed” and “Garage” on **Exhibit C** attached hereto and those areas within the Building labeled “Young Zapp Office” and “Young Zapp Warehouse” on **Exhibit B** attached hereto.

(o) Initial Tax Escrow Payment: $ 1,200.00 per month.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.
Lease Grant; Reserved Rights.

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises, together with the non-exclusive right to use the Common Areas to the extent reasonably necessary for access to and parking for the Premises, beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided; provided, however, that Landlord may terminate this Lease at any time if Landlord elects to re-develop the Property. Landlord shall effect any such termination by delivery to Tenant of a notice of termination, which notice must be delivered at least one hundred eighty (180) days prior to the termination date. In using the Common Areas, Tenant at all times shall leave at least three (3) parking spaces available for Landlord’s use (and if Tenant fails to do so, Landlord may designate three spaces on the Property, to the rear of the Building, for Landlord’s exclusive use and may tow any cars parked in such spaces without Landlord’s express written consent). Landlord may lease, use, construct on, or deal in any other manner with the remainder of the Property without any obligation to Tenant other than the obligation to at all times provide reasonable access and parking to the Premises, and to not interfere in a material manner with Tenant’s use of the Premises or Common Area.

2.2 Landlord reserves a license to enter in and through the Premises as reasonably necessary to utilize the portions of the Retained Areas labeled “Young Zapp” and “Young Zapp Warehouse” on the floor plan of the Building attached hereto as **Exhibit B**, together with the reasonable use of the restroom, break room, reception areas, corridors and similar areas within the Premises; provided, however, that Landlord will exercise such rights in a manner that will not unreasonably interfere with Tenant’s use of the Premises. Tenant acknowledges that Tenant does not lease or have any rights to enter, the Retained Areas.

ARTICLE 3.
Rent.

3.1 Tenant agrees to pay to Landlord in monthly installments the "Adjusted Rent", which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. Tenant shall pay the first installment of Adjusted Rent to Landlord on the Commencement Date (which installment shall be in a prorated amount if the Commencement Date is not the first day of the month), and thereafter installments shall be due and payable without demand on or before the first day of each succeeding month during the Lease Term.

3.2 Base Rent shall be adjusted on the dates set forth in Section 1.1 (1) above (each such day an "Adjustment Date"), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor's Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the "CPI"). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the "Current CPI") to the CPI figure published just prior to the Commencement Date (the "Comparative CPI"). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof-then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.4 Tenant's covenants and obligations to pay Adjusted Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.
Intentionally Deleted.

ARTICLE 5.
Leasehold Improvements.

5.1 ***Tenant acknowledges and agrees that Landlord has not made, and will not make any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises, the Building, the Common Areas or the Property, or with respect to the suitability of any of same for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING, COMMON AREAS, PREMISES AND PROPERTY, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept the Premises, Building, Common Areas and Property in their "AS IS" condition, and as suitable for the purpose herein intended. Tenant further agrees that Tenant may not require Landlord to maintain or repair in any manner the Premises, Common Area or any portions of the Building.***

ARTICLE 6.
Use.

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building. Landlord shall not occupy or use the Retained Areas, or permit any portion of the Retained Areas to be occupied or used, for any use or purpose which is unlawful in part or in whole, disreputable in any manner, or extra hazardous on account of fire, nor keep anything upon the Retained Areas nor permit anything to be done on or around the Retained Areas that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises. Landlord shall not permit any objectionable or unpleasant odors to emanate from the Retained Areas; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the front exterior of the Building; nor take any other action which would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Property.

6.4 Tenant shall maintain the Premises and Common Areas in at least its present condition, ordinary wear and tear excepted. Tenant shall store all trash and garbage on the Premises or in portions of the Common Areas approved by Landlord in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises or the Property.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business by Tenant in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

ARTICLE 7.
Maintenance and Repair.

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building, Common Areas and the Premises in a good, clean condition of repair and maintenance. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Property; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Property. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up the Premises to Landlord in as good condition as of the Commencement Date, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, Premises or Property, or any portion thereof, during the Lease Term.

ARTICLE 8.
Alterations.

8.1 Tenant shall not make any alterations, additions or improvements to the Premises or Common Areas without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed in the interior of the Premises without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character), but excluding Tenant's personal property and trade fixtures, made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. All furniture and unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord. If any such property is not removed, Landlord may either declare such property abandoned (in which event it shall become Landlord's property) or may remove such property from the Premises and store same at Tenant's sole risk and expense. In the event Landlord requires the removal of any alterations,

additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Landlord or Tenant upon the Premises or the Property shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from any such work performed by or on behalf of Tenant. Landlord agrees to indemnify Tenant and hold Tenant harmless against any loss, liability or damage resulting from any such work performed by or on behalf of Landlord. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises or Property, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises or Property for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.
Landlord's Right of Access.

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction; provided, however, that Landlord will use reasonable efforts to minimize disruption to Tenant's business in connection with any such entry.

ARTICLE 10.
Signs; Building Exterior

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the exterior of the Building; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance, which approval shall not be unreasonably withheld, conditioned or delayed. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Austin. Tenant, at Tenant's sole expense, shall obtain permits from the City of Austin for all of Tenant's signs.

10.2 Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.
Utilities.

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Property (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.
Indemnity; Insurance.

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises, Common Areas, or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or Common Areas, or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.** Tenant shall not be liable to Landlord, or to Landlord's agents, servants or employees and Landlord shall indemnify, defend and hold Tenant harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Landlord or Landlord's agents, servants or employees, (b) Landlord's use of the Retained Areas, Common Areas, or the conduct of Landlord's business or profession, (c) any activity, work, or thing done, permitted or suffered by Landlord in or about the Retained Areas or Common Areas, or (d) any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease. Neither party, however, shall be liable for indirect or consequential damages.

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Tenant shall pay the cost of Landlord's Insurance to Landlord within thirty (30) days after Landlord delivers to Tenant a statement for same.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this Lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Travis County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice

in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.
Fire or Other Casualty.

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Premises by fire or other casualty.

13.2 If the Premises shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises, and this Lease shall continue in full force and effect. If the Premises shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Premises. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Premises is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Premises unfit for occupancy to the total square feet in the Premises. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Premises, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Premises or elsewhere on the Property.

13.4 Tenant agrees that during any period of reconstruction or repair of the Premises, Tenant will continue the operation of its business within the Premises to the extent practicable.

ARTICLE 14.
Condemnation.

14.1 If any portion of the Property shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Property shall be taken as aforesaid, but following such taking the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not

terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Property, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.
Assignment and Subletting.

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord; provided, however, that upon notice to Landlord (but without Landlord's consent) Tenant may assign this Lease or sublet the Premises to an entity controlling, under common control with or controlled by Tenant, or to the surviving entity if Tenant merges or consolidates. Landlord shall not unreasonably withhold consent to an assignment of this Lease or a sublease of the Premises to a person or entity that acquires substantially all of the equity interest in or assets of Tenant; provided, however, that (i) if an assignment, the net assets of the proposed assignee shall not be less than the net assets of Tenant as of the date of this Lease, (ii) the assignee or subtenant shall continue to operate the Permitted Use in the Premises in the same manner as Tenant and pursuant to all of the provisions of this Lease, and (iii) if an assignment, one or more of the principals of Tenant shall remain with the operation or persons with similar competence, expertise, experience and reputation shall be in control of such assignee. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Property, and in such event and upon assumption by the transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder. Notwithstanding the foregoing, Landlord shall not assign or lease to any person or entity other than an entity controlled by, under common control with, or controlling Landlord,

Landlord' s rights retained herein to use the Retained Areas without first offering the Retained Areas to Tenant as provided in Section 15.5 below.

15.5 Before Landlord makes any offer to a third party (i.e., a party not controlled by, under common control with, or controlling Landlord) that would grant such third party the right to use the Retained Areas (or any portion thereof), Landlord first shall notify Tenant (a "Notice of Offer") of the terms on which Landlord is willing to lease the applicable Retained Areas to a third party. Tenant shall have a period of fifteen (15) days after delivery of the Notice of Offer within which to notify Landlord that Tenant wishes to lease the applicable Retained Areas on the terms specified by Landlord in the Notice of Offer. If Tenant timely accepts such terms, Landlord shall prepare and submit to Tenant a lease of the applicable Retained Areas substantially on the form of this Lease (with such changes as to make the lease consistent with the offer accepted by Tenant), and Tenant shall execute same within fifteen (15) days after same is submitted to Tenant. If Tenant does not accept a Notice of Offer within the initial fifteen-day period described above, or if Tenant does not execute a lease for such Retained Areas within the second fifteen-day period described above, this right of first offer shall terminate and be of no further force and effect as to the applicable Retained Areas and Landlord may lease same to a third party on substantially the terms and conditions contained in the Notice of Offer. Any lease of the Retained Areas on terms more favorable to the prospective tenant, however, or any lease of Retained Areas not previously submitted to Tenant in a Notice of Offer shall again be submitted to Tenant as provided in this Section.

15.6 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.7 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises or in the Common Area, or conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) or the Common Area with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.8 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.9 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.10 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease. The preceding sentence will not apply in the event of an assignment or sublease that does not require Landlord's consent.

ARTICLE 16.
Property Taxes.

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Property. If any such taxes are levied against Landlord or Landlord's

property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Property and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand (hat part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Property, the Building and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Property and the Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Property, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 Landlord, in Landlord's sole discretion, may require Tenant to pay the Taxes in one installment (which shall be due within ten (10) days after notice from Tenant to Landlord of the exact amount of Taxes due), or Landlord may require Tenant to pay the Taxes as a component of Adjusted Rent. Upon notice from Landlord to Tenant, Tenant thereafter shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1 /12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. If Landlord immediately elects to require Tenant to pay the Taxes in installments, the initial Tax Escrow Payment will be the amount specified in Section 1.1 (o) above. Thereafter, Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.
Events of Default.

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder, and such failure continues for ten (10) days after written notice from Landlord.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the

nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for ten (10) or more consecutive days.

(g) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Property only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Property, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.
Remedies.

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an

event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Austin, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Travis County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions**. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.
Landlord's Lien.

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER**

ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.

ARTICLE 20.
Holding Over.

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.
Subordination; Lender Provisions.

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a

"Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.
Brokerage.

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.
Estoppel Certificates.

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Property, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.
Notices.

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.
Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Property, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Travis County, Texas or apparent on the Property.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring onto the Premises or the Property or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises or Property during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this Lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 Landlord shall not bring onto the Retained Areas or the Property or permit to remain on the Retained Areas any Hazardous Materials, except ordinary products commonly used in connection with Landlord's current use of the Retained Areas or the Property and stored in the usual manner and quantities. Landlord shall indemnify, hold harmless and defend Tenant from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Landlord's obligations under this Section 25.17 shall survive the expiration or earlier termination, for any reason, of this Lease.

25.18 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed herein below and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Legal Description of Premises
Exhibit B - Floor Plan of Premises
Exhibit C - Site Plan of Property
Exhibit D - Renewal Options

[Signature Lines on Following Page.]

DATED as of the date first above written.

LANDLORD:

YOUNG ZAPP GRACELAND, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
David J. Oddi, Vice President

Exhibit 10.24

LEASE AGREEMENT

between

YOUNG ZAPP NORTH LAMAR, LTD., a Texas limited partnership, as Landlord

and

NORTH TEXAS CHUY'S, INC., as Tenant

January 1, 2002

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of January 1, 2002, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.

Definitions and Basic Provisions

1.1

(a) "Landlord": Young Zapp North Lamar, Ltd., a Texas limited partnership.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": North Texas Chuy's, Inc., a Texas corporation.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(e) Tenant's Trade Name: Chuy's Comida Deluxe.

(f) "Premises": Lot 3-A, RESUB. LOT A, NOACK PETTWAY ADDITION, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 67, Page 99, Plat Records of Travis County, Texas; and Lot 2A, NOACK-PETTWAY ADDITION NO. 2-A, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 85, Page 6D, Plat Records of Travis County, Texas. The Premises are located at 10508, 10520 North Lamar Austin, Texas.

(g) "Building": That certain building of approximately 4,650 square feet, situated on the Premises.

(h) "Commencement Date": January 1, 2002.

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31,2011. The Lease Term may be extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit A** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 2002. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) "Base Rent": The initial Base Rent shall be $12,000.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2004, January 1, 2006, January 1, 2008, January 2010, and during any renewal or extension period, in accordance with the provisions of **Exhibit A** and Section 3.2 below.

(1) “Percentage Rent”: Percentage Rent shall be calculated by multiplying six percent (6%) (the “Rate”) by Tenant’s Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $2,100.00 per month.

(n) “Permitted Use”: Use as a Chuy’s Comida Deluxe restaurant and related facilities or such other first class restaurant as Landlord may approve.

(o) “Security Deposit”: None.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.

Lease Grant

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.

Rent and Security Deposit

3.1 Tenant agrees to pay to Landlord in monthly installments the “Adjusted Rent”, which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. The Adjusted Rent shall be due and payable without demand beginning on the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term.

3.2 Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an “Adjustment Date”), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor’s Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the “CPI”). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the “Current CPI”) to the CPI figure published just prior to the Commencement Date (the “Comparative CPI”). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current

CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 Landlord shall hold the Security Deposit without liability for interest and may co-mingle the Security Deposit with Landlord's general funds. The Security Deposit secures Tenant's performance under this lease, and is not an advance payment of rent or a measure of damages if a default occurs. Landlord may apply the Security Deposit towards delinquent rent or to reimburse Landlord for any other damage, injury, expense or liability resulting from Tenant's breach of this lease. If Landlord applies any of the Security Deposit, upon demand Tenant shall restore the Security Deposit to its original amount. After this lease terminates, regardless of when Tenant surrenders possession of the Premises, the Security Deposit shall be

refunded in accordance with the Texas Property Code. Tenant expressly waives the provisions of Section 93.011 of the Texas Property Code to the extent such provision may be held to require a return of the Security Deposit before this lease terminates. If Landlord transfers its interest in the Premises during the Lease Term, Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of the Security Deposit.

3.6 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.7 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.

Sales Reports and Records

4.1 Beginning on the tenth (10th) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10th) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Austin, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they

relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.

Leasehold Improvements

5.1 ***Tenant acknowledges and agrees that Landlord has not made, and will not make any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same in their "AS IS" condition, and as suitable for the purpose herein intended. Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.

Use

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1 (e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor

permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.

Maintenance and Repair

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Austin, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the

delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

ARTICLE 8.

Alterations

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.

Landlord's Right of Access

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary

(but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.

Signs; Store fronts

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Austin. Tenant, at Tenant's sole expense, shall obtain permits from the City of Austin for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.

Utilities

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.

Indemnity; Insurance

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in

or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES; FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.**

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Within ten (10) days after notice from Landlord, Tenant shall pay to Landlord the cost of maintaining Landlord's Insurance. Tenant expressly authorizes Landlord to use the funds so paid to Landlord to pay such cost.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance and liquor liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **Two Million Dollars ($2,000,000)** combined single limit coverage for bodily injury, death to any one person or property damage in any one occurrence. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Travis County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain

such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.

Fire or Other Casualty

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal properly within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.

Condemnation

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.

Assignment and Subletting

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Premises, and in such event and upon assumption by the transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.

Property Taxes

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.

Events of Default

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.

Remedies

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by

Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Austin, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any

premises within Travis County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions**. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.

Landlord's Lien

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM**

COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.

ARTICLE 20.

Holding Over

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one-thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.

Subordination; Lender Provisions

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.

Brokerage

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.

Estoppel Certificates

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.

Notices

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.

Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Travis County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract

for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Option to Renew

DATED as of the date first above written.

LANDLORD:

Young Zapp North Lamar, Ltd.,
a Texas limited partnership

By: Young Zapp GP, LLC., a Texas limited liability company, General Partner

By: /s/ Michael Roger Young
Name: Michael Roger Young
Title: Partner

TENANT:

North Texas Chuy's, Inc.,
a Texas corporation

By: /s/ Michael Roger Young
Name: Michael Roger Young
Title: President

First Amendment to
Lease Agreement

This First Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp North Lamar, Ltd.**, a Texas limited partnership ("Landlord"), and **North Texas Chuy's, Inc.**, a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated January 1, 2002 (the "Lease"), covering Lot 3-A, RESUB. LOT A, NOACK PETTWAY ADDITION, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 67, Page 99, Plat Records of Travis County, Texas; and Lot 2A, NOACK-PETTWAY ADDITION NO. 2-A, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 85, Page 6D, Plat Records of Travis County, Texas.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Insurance**. The first two (2) sentences of Section 12.5 of the Lease are amended in their entirety to read as follows:

Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate.

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of July 1, 2006.

LANDLORD:

YOUNG ZAPP NORTH LAMAR, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

NORTH TEXAS CHUY'S, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

Second Amendment to
Lease Agreement

This Second Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp North Lamar, Ltd.**, a Texas limited partnership ("Landlord"), and **North Texas Chuy's, Inc.,** a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated January 1, 2002 (the "Lease"), covering Lot 3-A, RESUB. LOT A, NOACK PETTWAY ADDITION, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 67, Page 99, Plat Records of Travis County, Texas; and Lot 2A, NOACK-PETTWAY ADDITION NO. 2-A, a subdivision in Travis County, Texas, according to the map or plat of record in Vol. 85, Page 6D, Plat Records of Travis County, Texas. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006.

B. Landlord and Tenant have agreed to further modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Base Rent**. Section 1.1 (k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $12,000.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2004, January 1, 2006, January 1, 2008, January 1, 2010, and to the extent Tenant properly exercises the renewal option(s) set forth in **Exhibit A**, on January 1, 2012, January 1, 2014, January 1, 2016, January 1, 2018 and January 1, 2020, all in accordance with the provisions of **Exhibit A** and Section 3.2 below.

3. **Renewal Options**. Exhibit "A" of the Lease is deleted and is replaced in its entirety by **Exhibit A** attached hereto.

4. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of October 15, 2006.

LANDLORD:

YOUNG ZAPP NORTH LAMAR, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company/General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

NORTH TEXAS CHUY'S, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNMENT OF LEASE

This Assignment of Lease (this "Assignment") is executed as of the date set forth below (the "Effective Date") between MY/ZP North Lamar, Ltd., a Texas limited partnership formerly known as North Texas Chuy's, Inc., a Texas corporation ("Assignor"), and Chuy's Opco, Inc., a Delaware corporation ("Assignee"). Young Zapp North Lamar, Ltd., a Texas limited partnership ("Landlord") is executing this Assignment solely for the purpose of evidencing Landlord's consent to this Assignment and of releasing Assignor from obligations of the tenant under the Lease that arise from or after the Effective Date.

Assignor desires to assign, transfer and convey to Assignee, and Assignee desires to accept from Assignor all of Assignor's right, title and interest in and to that certain Lease Agreement, dated January 1, 2002, as amended by First Amendment to Lease Agreement dated as of July 1, 2006 and by Second Amendment to Lease Agreement dated as of October 15, 2006, each between Assignor, as tenant, and Landlord, as landlord (as so amended, the "Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee all of Assignor's rights under, and interest in and to, the Lease to the extent arising on and after the Effective Date (including without limitation all prepaid rent and expenses, such as tax or insurance escrow payments, paid by Assignor to Landlord prior to the Effective Date).

1. **Assignee's Assumption of Obligations**. This Assignment is made subject to all of the conditions and terms contained in the Lease. By executing this Assignment, Assignee assumes and agrees to perform all of the terms, covenants and conditions contained in the Lease and required to be performed by the tenant thereunder, from and after the Effective Date, but not prior thereto, including without limitation the obligation to pay all rent and other sums payable by the tenant in accordance with the terms of the Lease. Assignee further agrees to attorn to Landlord under the Lease.

2. **Limited Release**. Landlord agrees that Assignor shall be released from all obligations of the tenant under the Lease that accrue under the Lease from and after the Effective Date. This Assignment shall not release, discharge or acquit Assignor from any obligation under the Lease arising prior to the Effective Date but Landlord and Assignor each advise Assignee that neither party is aware of any existing breach of the Lease by the other party. Landlord's consent to this Assignment shall not be deemed consent to any subsequent assignment of the Lease.

3. **Ratification**. Assignee ratifies and confirms the Lease and agrees that the Lease will continue in full force and effect, regardless of this Assignment.

4. **Entirety**. This Assignment embodies the entire agreement between the parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

5. **Binding Effect**. The terms of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

6. **Headings**. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

7. **Governing Law**. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. **Counterparts**. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of November 7, 2006 (the "Effective Date").

ASSIGNOR:

MY/ZP NORTH LAMAR, LTD., a Texas limited partnership, formerly known as North Texas Chuy's, Inc., a Texas corporation

By: MY/ZP North Lamar GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNEE:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

Landlord is executing this Assignment for the sole purpose of reflecting its consent to the Assignment, and the limited release set forth in Paragraph 2 above, on the terms and conditions set forth herein.

YOUNG ZAPP NORTH LAMAR, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Exhibit 10.25

LEASE AGREEMENT

between

YOUNG-ZAPP JOINT VENTURE II, a Texas joint venture, as Landlord

and

CHUY'S OF RIVER OAKS, INC., a Texas corporation, as Tenant

November 1, 1998

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of November 1,1998, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.

Definitions and Basic Provisions

1.1

(a) "Landlord": Young-Zapp Joint Venture II, a Texas joint venture.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's of River Oaks, Inc., a Texas corporation.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Paul Brady.

(e) Tenant's Trade Name: Chuy's Comida Deluxe.

(f) "Premises": Tracts 1 through 6 out of that certain real property described as Blocks Seventeen (17) and Eighteen (18) of DICKEY'S WEST PARK ADDITION TO THE CITY OF HOUSTON, according to the map or plat thereof recorded in Volume 55, Page 45, Deed Records of Harris County, Texas, more particularly described by metes and bounds on **Exhibit A** attached hereto. A portion of the Premises contains the Building (as herein defined) and a portion of the Premises contains a parking facility (the "Parking Facility") to serve the Building, all as currently situated on the Premises.

(g) "Building": That certain building of approximately 8,860 square feet situated on the Premises.

(h) "Commencement Date": November 1, 1998.

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2008. The Lease Term may be extended by Tenant for up to two (2) terms of five (5) years each in accordance with the provisions of **Exhibit B** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 1999. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) “Base Rent”: The initial Base Rent shall be $24,500.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase in accordance with the provisions of **Exhibit B** and Section 3.2 below. The Base Rent is comprised of (i) rent for the lease of the Building (the “Building Base Rent”), which initial Building Base Rent shall be $19,500.00 per month, and (ii) rent for the lease of the Parking Facility (the “Parking Base Rent”), which initial Parking Base Rent shall be $5,000.00 per month. The Building Base Rent and the Parking Base Rent shall together comprise the Base Rent.

(l) “Percentage Rent”: Percentage Rent shall be calculated by multiplying six percent (6%) (the “Rate”) by Tenant’s Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Building Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $3,500.00 per month.

(n) “Permitted Use”: Use as a Chuy’s Comida Deluxe restaurant and related facilities, or such other first class restaurant as Landlord may approve.

(o) “Security Deposit”: None required.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.

Lease Grant

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.

Rent

3.1 Tenant agrees to pay to Landlord in monthly installments the “Adjusted Rent”, which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. The Adjusted Rent shall be due and payable without demand beginning on the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term.

3.2 Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an “Adjustment Date”), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor’s Bureau of Labor Statistics, Consumer

Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the "CPI"). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the "Current CPI") to the CPI figure published just prior to the Commencement Date (the "Comparative CPI"). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Building Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Building Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale

where the merchandise sold, or some part thereof, is thereafter returned by purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.6 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity. The provisions of this Section 3 shall expressly survive expiration or termination of this Lease.

ARTICLE 4.

Sales Reports and Records

4.1 Beginning on the tenth (10th) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10th) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Houston, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year

to which they relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.

Leasehold Improvements

5.1 ***Tenant acknowledges and agrees that Landlord has not made, and will not make any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same in their "AS IS" condition, and as suitable for the purpose herein intended. Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.

Use

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1 (e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.

Maintenance and Repair

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Houston, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after

Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

ARTICLE 8.

Alterations

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.

Landlord's Right of Access

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.

Signs; Store fronts

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Houston. Tenant, at Tenant's sole expense, shall obtain permits from the City of Houston for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.

Utilities

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.

Indemnity; Insurance

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court

order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.**

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Tenant shall pay the cost of Landlord's Insurance to Landlord within thirty (30) days after Landlord delivers to Tenant a statement for same.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance and liquor liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **Two Million Dollars ($2,000,000)** combined single limit coverage for bodily injury, death to any one person or property damage in any one occurrence. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity

obligations under this Lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Harris County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.

Fire or Other Casualty

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's, agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a

reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.

Condemnation

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.

Assignment and Subletting

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Premises, and in such event and upon assumption by the transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.

Property Taxes

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.

Events of Default

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord

hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.

Remedies

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award

exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be

measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Harris County, Texas, or (b) entering into a

listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Harris County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions**. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.

Landlord's Lien

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY**

ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.

ARTICLE 20.

Holding Over

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one-thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.

Subordination; Lender Provisions

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not

materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.

Brokerage

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.

Estoppel Certificates

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.

Notices

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) A1J Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1 (d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.

Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice

which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Harris County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a “Net Lease” under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation (“Hazardous Materials”), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant’s violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys’ fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant’s violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant’s

compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Legal Description
Exhibit B - Option to Renew

DATED as of the date first above written.

LANDLORD:

Young-Zapp Joint Venture II,
a Texas joint venture

By: /s/ John Zapp
Name: John Zapp
Title: Vice-President

TENANT:

Chuy's of River Oaks, Inc.., a Texas corporation

By: /s/ John Zapp
Name: John Zapp
Title: Vice-President

First Amendment to
Lease Agreement

This First Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp River Oaks, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture ("Landlord"), and **Chuy's of River Oaks, Inc.**, a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated November 1, 1998 (the "Lease"), covering Tracts 1 through 6 out of that certain real property described as Blocks Seventeen (17) and Eighteen (18) of DICKEY'S WEST PARK ADDITION TO THE CITY OF HOUSTON, according to the map or plat thereof recorded in Volume 55, Page 45, Deed Records of Harris County, Texas, more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Insurance**. The first two (2) sentences of Section 12.5 of the Lease are amended in their entirety to read as follows:

Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate.

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of July 1, 2006.

LANDLORD:

YOUNG ZAPP RIVER OAKS, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF RIVER OAKS, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

Second Amendment to
Lease Agreement

This Second Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp River Oaks, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture ("Landlord"), and **Chuy's of River Oaks, Inc.**, a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated November 1, 1998 (the "Lease"), covering Tracts 1 through 6 out of that certain real property described as Blocks Seventeen (17) and Eighteen (18) of DICKEY'S WEST PARK ADDITION TO THE CITY OF HOUSTON, according to the map or plat thereof recorded in Volume 55, Page 45, Deed Records of Harris County, Texas, more particularly described therein. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Adjustment of Base Rent**. Section 3.2 of the Lease is amended in its entirety to read as follows:

The Building Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an "Adjustment Date"), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor's Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the "CPI"). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the "Current CPI") to the CPI figure published just prior to the Commencement Date (the "Comparative CPI"). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Building Base Rent shall be increased

to equal an amount determined by multiplying the initial Building Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Building Base Rent payable for any month of the Lease Term be less than the Building Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Building Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Building Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Building Base Rent after an Adjustment Date, Tenant shall pay the difference between the Building Base Rent actually paid prior to such notice and the Building Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

The Parking Base Rent shall increase to $5,500.00 per month effective January 1, 2007, to $6,050 effective January 1, 2012 (if Tenant exercises the first renewal option) and to $6,655.00 effective January 1, 2017 (if Tenant exercises the second renewal option).

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of September 30, 2006.

LANDLORD:

YOUNG ZAPP RIVER OAKS, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF RIVER OAKS, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

Third Amendment to
Lease Agreement

This Third Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp River Oaks, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture ("Landlord"), and **Chuy's of River Oaks, Inc.**, a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated November 1, 1998 (the "Lease"), covering Tracts 1 through 6 out of that certain real property described as Blocks Seventeen (17) and Eighteen (18) of DICKEY'S WEST PARK ADDITION TO THE CITY OF HOUSTON, according to the map or plat thereof recorded in Volume 55, Page 45, Deed Records of Harris County, Texas, more particularly described therein. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006 and by Second Amendment to Lease Agreement dated as of September 30, 2006.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Base Rent**. Section 1.1 (k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $24,500.00 per month, payable as provided in Section 3.1 below. The Base Rent is comprised of (i) rent for the lease of the Building (the "Building Base Rent"), which initial Building Base Rent shall be $19,500.00 per month, and (ii) rent for the lease of the Parking Facility (the "Parking Base Rent"), which initial Parking Base Rent shall be $5,000.00 per month. The Building Base Rent and the Parking Base Rent shall together comprise the Base Rent. The Building Base Rent shall increase on January 1, 2001, January 1, 2003, January 1, 2005, and January 1, 2007, and to the extent Tenant properly exercises the renewal options set forth in **Exhibit B**, on January 1, 2009, January 1, 2011, January 1, 2013, January 1, 2015 and January 1, 2017, all in accordance with the provisions of **Exhibit B** and Section 3.2 below. The Parking Base Rent shall increase January 1, 2007, and to the extent Tenant properly exercises the renewal options set forth in **Exhibit B**, on January 1, 2012 and January 1, 2017, all in accordance with the provisions of **Exhibit B** and Section 3.2 below

3. **Renewal Options**. Exhibit "B" of the Lease is deleted and is replaced in its entirety by **Exhibit B** attached hereto.

4. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of October 15, 2006.

LANDLORD:

YOUNG ZAPP RIVER OAKS, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF RIVER OAKS, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNMENT OF LEASE

This Assignment of Lease (this "Assignment") is executed as of the date set forth below (the "Effective Date") between MY/ZP of River Oaks, Ltd., a Texas limited partnership formerly known as Chuy's of River Oaks, Inc., a Texas corporation ("Assignor"), and Chuy's Opco, Inc., a Delaware corporation ("Assignee"). Young Zapp River Oaks, Ltd., a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture ("Landlord") is executing this Assignment solely for the purpose of evidencing Landlord's consent to this Assignment and of releasing Assignor from obligations of the tenant under the Lease that arise from or after the Effective Date.

Assignor desires to assign, transfer and convey to Assignee, and Assignee desires to accept from Assignor all of Assignor's right, title and interest in and to that certain Lease Agreement, dated November 1, 1998, as amended by First Amendment to Lease Agreement, dated as of July 1, 2006, by Second Amendment to Lease Agreement dated as of September 30, 2006 and by Third Amendment to Lease Agreement dated as of October 15, 2006, each between Assignor, as tenant, and Landlord, as landlord (as so amended, the "Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee all of Assignor's rights under, and interest in and to, the Lease to the extent arising on and after the Effective Date (including without limitation all prepaid rent and expenses, such as tax or insurance escrow payments, paid by Assignor to Landlord prior to the Effective Date).

1. **Assignee's Assumption of Obligations**. This Assignment is made subject to all of the conditions and terms contained in the Lease. By executing this Assignment, Assignee assumes and agrees to perform all of the terms, covenants and conditions contained in the Lease and required to be performed by the tenant thereunder, from and after the Effective Date, but not prior thereto, including without limitation the obligation to pay all rent and other sums payable by the tenant in accordance with the terms of the Lease. Assignee further agrees to attorn to Landlord under the Lease.

2. **Limited Release**. Landlord agrees that Assignor shall be released from all obligations of the tenant under the Lease that accrue under the Lease from and after the Effective Date. This Assignment shall not release, discharge or acquit Assignor from any obligation under the Lease arising prior to the Effective Date but Landlord and Assignor each advise Assignee that neither party is aware of any existing breach of the Lease by the other party. Landlord's consent to this Assignment shall not be deemed consent to any subsequent assignment of the Lease.

3. **Ratification**. Assignee ratifies and confirms the Lease and agrees that the Lease will continue in full force and effect, regardless of this Assignment.

4. **Entirety**. This Assignment embodies the entire agreement between the parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

5. **Binding Effect**. The terms of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

6. **Headings**. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

7. **Governing Law**. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. **Counterparts**. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of November 7, 2006 (the "Effective Date").

ASSIGNOR:

MY/ZP OF RIVER OAKS, LTD., a Texas limited partnership, formerly known as Chuy's of River Oaks, Inc., a Texas corporation

By: MY/ZP of River Oaks GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNEE:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

Landlord is executing this Assignment for the sole purpose of reflecting its consent to the Assignment, and the limited release set forth in Paragraph 2 above, on the terms and conditions set forth herein.

YOUNG ZAPP RIVER OAKS, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture II

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Signature Page to
River Oaks Lease Assignment

Fourth Amendment to
Lease Agreement

This Fourth Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp River Oaks, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture ("Landlord"), and **Chuy's Opco, Inc.**, a Delaware corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and **Chuy's of River Oaks, Inc.**, a Texas corporation ("**CRO**"), entered into a certain Lease Agreement dated November 1, 1998 (the "Original Lease"), covering Tracts 1 through 6 out of that certain real property described as Blocks Seventeen (17) and Eighteen (18) of DICKEY'S WEST PARK ADDITION TO THE CITY OF HOUSTON, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 55, Page 45, Deed Records of Harris County, Texas. Landlord and CRO amended the Original Lease by First Amendment to Lease Agreement dated as of July 1, 2006, by Second Amendment to Lease Agreement dated as of September 30, 2006, and by Third Amendment to Lease Agreement dated as of October 15, 2006. CRO assigned the tenant's interest in and to the Original Lease to Tenant by Assignment of Lease dated November 7, 2006 (the Original Lease, as so amended and assigned, is referred to herein as the "Lease").

B. The initial Lease Term expired December 31, 2008. Landlord and Tenant agreed to extend the Lease Term through December 31, 2013, and to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Lease Term**. Section 1.1 (i) of the Lease is deleted and is replaced in its entirety by the following:

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2013. The Lease Term may be extended by Tenant for one (1) additional five (5) year term in accordance with the provisions of **Exhibit B** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

3. **Base Rent**. Section 1.1 (k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $24,500.00 per month, payable as provided in Section 3.1 below. The Base Rent is comprised of (i) rent for the lease of the Building (the "Building Base Rent"), which initial Building Base Rent shall be $19,500.00 per month, and (ii) rent for the lease of the Parking Facility (the "Parking Base Rent"), which initial Parking Base Rent shall be $5,000.00 per month.

The Building Base Rent and the Parking Base Rent shall together comprise the Base Rent. The Building Base Rent shall increase on January 1, 2001, January 1, 2003, January 1, 2005, January 1, 2007, January 1, 2009, January 1, 2011, January 1, 2013, and to the extent Tenant properly exercises the renewal option set forth in **Exhibit B**. January 1, 2015 and January 1, 2017, all in accordance with the provisions of **Exhibit B** and Section 3.2 below. The Parking Base Rent shall increase January 1, 2007 and January 1, 2012, and to the extent Tenant properly exercises the renewal option set forth in **Exhibit B**, on January 1, 2017, all in accordance with the provisions of **Exhibit B** and Section 3.2 below

4. **Renewal Option**. Exhibit "B" of the Lease is deleted and is replaced in its entirety by **Exhibit B** attached hereto.

5. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed on the dates set forth below to be effective as of December 31, 2008.

LANDLORD:

YOUNG ZAPP RIVER OAKS, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture II, a Texas joint venture

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ Sharon Russell
Name: Sharon Russell
Title: CFO

Exhibit 10.26

LEASE AGREEMENT

between

YOUNG ZAPP JOINT VENTURE-IV, as Landlord

and

CHUY'S ON HWY 183, INC., as Tenant

November 19, 1996

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of November 19,1996, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.

Definitions and Basic Provisions

1.1

(a) "Landlord": Young Joint Venture-IV, a Texas joint venture.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's on Hwy 183, Inc., a Texas corporation.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(e) Tenant's Trade Name: Chuy's Comida Deluxe.

(f) "Premises": Lot 1, Block "A", COVERT/183 SUBDIVISION, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 96, Pages 294-295, Plat Records of Travis County, Texas.

(g) "Building": That certain building of approximately 6,345 square feet located on the Premises.

(h) "Commencement Date": November 19, 1996.

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2006. The Lease Term may be extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit A** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 1997. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) "Base Rent": The initial Base Rent shall be $14,800.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1,1999, January 1, 2001, January 1, 2003, and January 1, 2005, and during any extension period, in accordance with the provisions of **Exhibit A** and Section 3.2 below.

(1) “Percentage Rent”: Percentage Rent shall be calculated by multiplying six percent (6%) (the “Rate”) by Tenant’s Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $3,910.00 per month.

(n) “Permitted Use”: Use as a Chuy’s Comida Deluxe restaurant and related facilities or such other first class restaurant as Landlord may approve.

(o) “Security Deposit”: None.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.

Lease Grant

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.

Rent

3.1 Tenant agrees to pay to Landlord in monthly installments the “Adjusted Rent”, which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. The Adjusted Rent shall be due and payable without demand beginning on the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term. If the Commencement Date is not the first day of a month, the Adjusted Rent payable on the Commencement Date shall be prorated.

3.2 Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an “Adjustment Date”), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor’s Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the “CPI”). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the “Current CPI”) to the CPI figure published just prior to the Commencement Date (the “Comparative CPI”). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an

amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to

Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.6 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.

Sales Reports and Records

4.1 Beginning on the tenth (10th) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10th) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Austin, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.

Leasehold Improvements

5.1 ***Tenant acknowledges and agrees that Landlord has not made, and will not make any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same upon delivery in their "AS IS" condition as of that date, and as suitable for the purpose herein intended. Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.

Use

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1(e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up

of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.

Maintenance and Repair

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Austin, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

ARTICLE 8.

Alterations

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions,

improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.

Landlord's Right of Access

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.

Signs; Store fronts

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from

the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Austin. Tenant, at Tenant's sole expense, shall obtain permits from the City of Austin for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.

Utilities

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.

Indemnity; Insurance

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.**

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may

from time to time determine ("Landlord's Insurance"). Within ten (10) days after notice from Landlord, Tenant shall pay to Landlord the cost of maintaining Landlord's Insurance. Tenant expressly authorizes Landlord to use the funds so paid to Tenant to pay such cost.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance and liquor liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **Two Million Dollars ($2,000,000)** combined single limit coverage for bodily injury, death to any one person or property damage in any one occurrence. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Travis County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the

Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.

Fire or Other Casualty

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.

Condemnation

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.

Assignment and Subletting

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Premises, and in such event and upon assumption by the transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.

Property Taxes

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the

Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.

Events of Default

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in

proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term.

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.

Remedies

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises

stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Austin, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Travis County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed

by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions.** The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.

Landlord's Lien

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.**

ARTICLE 20.

Holding Over

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one- thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.

Subordination; Lender Provisions

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the

post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.

Brokerage

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.

Estoppel Certificates

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.

Notices

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in

the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.

Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be

released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Travis County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or

otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Option to Renew

DATED as of the date first above written.

LANDLORD:

Young Zapp Joint Venture-IV,
a Texas joint venture

By: /s/ Michael R. Young
Michael R. Young

By: /s/ John A. Zapp
John A. Zapp

TENANT:

Chuy's on Hwy 183, Inc., a Texas corporation

By: /s/ Michael Roger Young
Name: Michael Roger Young
Title: President

First Amendment to
Lease Agreement

This First Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp Hwy 183, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture ("Landlord"), and **Chuy's on Hwy 183, Inc.**, a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated November 19, 1996 (the "Lease"), covering Lot 1, Block "A", COVERT/183 SUBDIVISION, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 96, Pages 294-295, Plat Records of Travis County, Texas.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Insurance**. The first two (2) sentences of Section 12.5 of the Lease are amended in their entirety to read as follows:

Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate.

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of July 1, 2006.

LANDLORD:

YOUNG ZAPP HWY 183, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture

By: Young Zapp (BP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S ON HWY 183, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

Second Amendment to
Lease Agreement

This Second Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp Hwy 183, Ltd.**, a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture ("Landlord"), and **Chuy's on Hwy 183**, Inc., a Texas corporation ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated November 19, 1996 (the "Lease"), covering Lot 1, Block "A", COVERT/183 SUBDIVISION, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 96, Pages 294-295, Plat Records of Travis County, Texas. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006.

B. Tenant has exercised the first renewal option set forth in **Exhibit A** of the Lease and the current expiration date of the Lease is December 31, 2011.

C. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Lease Term**. Section 1.1(i) of the Lease is amended to reflect that the current expiration date of the Lease Term is December 31, 2011, and that only one five-year renewal option remains available to Tenant.

3. **Base Rent**. Section 1.1(k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $14,800.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 1999, January 1, 2001, January 1, 2003, January 1, 2005, January 1, 2007, January 1, 2009 and January 1, 2011, and to the extent Tenant properly exercises the renewal option set forth in **Exhibit A**, on January 1, 2013 and January 1, 2015, all in accordance with the provisions of **Exhibit A** and Section 3.2 below.

4. **Renewal Option**. Exhibit "A" of the Lease is deleted and is replaced in its entirety by **Exhibit A** attached hereto.

5. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of October 15, 2006.

LANDLORD:

YOUNG ZAPP HWY 183, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S ON HWY 183, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNMENT OF LEASE

This Assignment of Lease (this "Assignment") is executed as of the date set forth below (the "Effective Date") between MY/ZP on Hwy 183, Ltd., a Texas limited partnership formerly known as Chuy's on Hwy 183, Inc., a Texas corporation ("Assignor"), and Chuy's Opco, Inc., a Delaware corporation ("Assignee"). Young Zapp Hwy 183, Ltd., a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture ("Landlord") is executing this Assignment solely for the purpose of evidencing Landlord's consent to this Assignment and of releasing Assignor from obligations of the tenant under the Lease that arise from or after the Effective Date.

Assignor desires to assign, transfer and convey to Assignee, and Assignee desires to accept from Assignor all of Assignor's right, title and interest in and to that certain Lease Agreement, dated November 19, 1996, as amended by First Amendment to Lease Agreement dated as of July 1, 2006 and by Second Amendment to Lease Agreement dated as of October 15, 2006, each between Assignor, as tenant, and Landlord, as landlord (as so amended, the "Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee all of Assignor's rights under, and interest in and to, the Lease to the extent arising on and after the Effective Date (including without limitation all prepaid rent and expenses, such as tax or insurance escrow payments, paid by Assignor to Landlord prior to the Effective Date).

1. **Assignee's Assumption of Obligations.** This Assignment is made subject to all of the conditions and terms contained in the Lease. By executing this Assignment, Assignee assumes and agrees to perform all of the terms, covenants and conditions contained in the Lease and required to be performed by the tenant thereunder, from and after the Effective Date, but not prior thereto, including without limitation the obligation to pay all rent and other sums payable by the tenant in accordance with the terms of the Lease. Assignee further agrees to attorn to Landlord under the Lease.

2. **Limited Release.** Landlord agrees that Assignor shall be released from all obligations of the tenant under the Lease that accrue under the Lease from and after the Effective Date. This Assignment shall not release, discharge or acquit Assignor from any obligation under the Lease arising prior to the Effective Date but Landlord and Assignor each advise Assignee that neither party is aware of any existing breach of the Lease by the other party. Landlord's consent to this Assignment shall not be deemed consent to any subsequent assignment of the Lease.

3. **Ratification.** Assignee ratifies and confirms the Lease and agrees that the Lease will continue in full force and effect, regardless of this Assignment.

4. **Entirety.** This Assignment embodies the entire agreement between the parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

5. **Binding Effect.** The terms of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

6. **Headings.** Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

7. **Governing Law.** This Assignment shall be governed by, and construed in accordance with, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of November 7, 2006, (the "Effective Date").

ASSIGNOR:

MY/ZP ON HWY 183, LTD., a Texas limited partnership, formerly known as Chuy's on Hwy 183, Inc., a Texas Corporation

By: MY/ZP on HWY 183 GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNEE:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

Landlord is executing this Assignment for the sole purpose of reflecting its consent to the Assignment, and the limited release set forth in Paragraph 2 above, on the terms and conditions set forth herein.

YOUNG ZAPP HWY 183, LTD., a Texas limited partnership formerly known as young Zapp Joint Venture-IV

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Executed as of July 1, 2006.

LANDLORD:

YOUNG ZAPP HWY 183, LTD., a Texas limited partnership formerly known as Young Zapp Joint Venture-IV, a Texas joint venture

By: Young Zapp (BP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S ON HWY 183, INC., a Texas corporation

By: /s/ Michael R. Young
Michael R. Young, President

Exhibit 10.27

LEASE AGREEMENT

between

YOUNG ZAPP JVRR, LTD., a Texas limited partnership, as Landlord

and

CHUY'S OF RR, LTD., a Texas limited partnership, as Tenant

January 22, 2001

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of January 22, 2001, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.

Definitions and Basic Provisions.

1.1

(a) "Landlord": Young Zapp JVRR, Ltd., a Texas limited partnership.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's of RR, Ltd., a Texas limited partnership.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Paul Brady.

(e) Tenant's Trade Name: Chuy's Comida Deluxe.

(f) "Premises": Lot 2, Block A, Amending Plat of Lot 2 and 3, CHISHOLM TRAIL HOTEL CENTRE, a subdivision recorded in Cabinet R, Slide 165 of the Plat Records of Williamson County, Texas.

(g) "Building": That certain building of approximately 6,200 square feet, to be constructed by Landlord on the Premises.

(h) "Commencement Date": August 1, 2001.

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2011. The Lease Term may be extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit A** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 2002. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) "Base Rent": The initial Base Rent shall be $19,500.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2004, January 1, 2006, January 1, 2008, January 1, 2010, and during any extension period, in accordance with the provisions of **Exhibit A** and Section 3.2 below.

(1) “Percentage Rent”: Percentage Rent shall be calculated by multiplying six percent (6%) (the “Rate”) by Tenant’s Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $2,200.00 per month.

(n) “Permitted Use”: Use as a Chuy’s Comida Deluxe restaurant and related facilities or such other first class restaurant as Landlord may approve.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.

Lease Grant.

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.

Rent.

3.1 Tenant agrees to pay to Landlord in monthly installments the “Adjusted Rent”, which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. Tenant shall pay the first installment of Adjusted Rent to Landlord contemporaneously with the execution of this Lease. A like monthly installment shall be due and payable without demand beginning on the first day of the second month after the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term. If the Commencement Date is not the first day of a month, the Adjusted Rent payable on the first day of the second month of the term shall be prorated so that Tenant shall pay a proportionate share of Adjusted Rent based on the days in the prior month which fell on or after the Commencement Date.

3.2 Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an “Adjustment Date”), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor’s Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the “CPI”). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the “Current CPI”) to the CPI figure published just prior to the Commencement Date (the “Comparative CPI”). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI,

then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to

Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.6 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.

Sales Reports and Records.

4.1 Beginning on the tenth (10) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Austin, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.

Leasehold Improvements.

5.1 Landlord shall build the Building in accordance with plans and specifications approved by Landlord and Tenant. Upon completion of the Building, Landlord shall conditionally assign to Tenant (during the Lease Term and prior to any termination of Tenant's right of possession by reason of a default), all warranties obtained by Landlord with respect to the Building; however, Landlord shall retain the right to enforce such warranties in the event Tenant fails to do so. ***Tenant acknowledges and agrees that Landlord has not made, and will not make (whether by Landlord's delivery of the Building to Tenant or otherwise) any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same upon delivery in their "AS IS" condition as of that date, and as suitable for the purpose herein intended. Tenant agrees that Tenant shall rely solely upon the construction warranties assigned by Landlord to Tenant with respect to the condition of the Building, and that Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.

Use.

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1(e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna,

awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.

Maintenance and Repair.

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Round Rock, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

ARTICLE 8.

Alterations.

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.

Landlord's Right of Access.

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.

Signs; Store fronts.

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Round Rock. Tenant, at Tenant's sole expense, shall obtain permits from the City of Round Rock for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.

Utilities.

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.

Indemnity; Insurance.

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM**

ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Tenant shall pay the cost of Landlord's Insurance to Landlord within thirty (30) days after Landlord delivers to Tenant a statement for same.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance and liquor liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **Two Million Dollars ($2,000,000)** combined single limit coverage for bodily injury, death to any one person or property damage in any one occurrence. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than Five **Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Williamson County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with

a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.

Fire or Other Casualty.

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.

Condemnation.

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.

Assignment and Subletting.

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Premises, and in such event and upon assumption by the

transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.

Property Taxes.

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents

from the Premises, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.

Events of Default.

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.

Remedies.

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the

Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such

releting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a releting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Round Rock, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Travis or Williamson Counties, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's**

negligent acts or omissions. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.

Landlord's Lien.

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.**

ARTICLE 20.

Holding Over.

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one-thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's

holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.

Subordination; Lender Provisions.

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.

Brokerage.

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker

or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.

Estoppel Certificates.

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.

Notices.

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.

Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Williamson County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the

usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Option to Renew

DATED as of the date first above written.

LANDLORD:

Young Zapp JVRR, Ltd., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael Young
Name: Michael Young
Title: President

TENANT:

Chuy's of RR, Ltd., a Texas limited partnership

By: Chuy's Group GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael Young
Name: Michael Young
Title: Partner

First Amendment to
Lease Agreement

This First Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp JVRR, Ltd.**, a Texas limited partnership ("Landlord"), and **Chuy's of RR, Ltd.**, a Texas limited partnership ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated January 22, 2001 (the "Lease"), covering Lot 2, Block A, Amending Plat of Lot 2 and 3, CHISHOLM TRAIL HOTEL CENTRE, a subdivision recorded in Cabinet R, Slide 165 of the Plat Records of Williamson County, Texas.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Insurance**. The first two (2) sentences of Section 12.5 of the Lease are amended in their entirety to read as follows:

Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate.

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of July 1, 2006

LANDLORD:

YOUNG ZAPP JVRR, LTD.

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF RR, LTD., a Texas limited partnership

By: Chuy's Group GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Second Amendment to
Lease Agreement

This Second Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp JVRR, Ltd.**, a Texas limited partnership ("Landlord"), and **Chuy's of RR, Ltd.**, a Texas limited partnership ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated January 22, 2001 (the "Lease"), covering Lot 2, Block A, Amending Plat of Lot 2 and 3, CHISHOLM TRAIL HOTEL CENTRE, a subdivision recorded in Cabinet R, Slide 165 of the Plat Records of Williamson County, Texas. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Base Rent**. Section 1.1 (k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $19,500.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2004, January 1, 2006, January 1, 2008, January 1, 2010, and to the extent Tenant properly exercises the renewal option(s) set forth in **Exhibit A**, on January 1, 2012, January 1, 2014, January 1, 2016, January 1, 2018 and January 1, 2020, all in accordance with the provisions of **Exhibit A** and Section 3.2 below.

3. **Renewal Options**. Exhibit "A" of the Lease is deleted and is replaced in its entirety by **Exhibit A** attached hereto.

4. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of October 15, 2006.

LANDLORD:

YOUNG ZAPP JVRR, LTD.

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF RR, LTD., a Texas limited partnership

By: Chuy's Group GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNMENT OF LEASE

This Assignment of Lease (this "Assignment") is executed as of the date set forth below (the "Effective Date") between MY/ZP of Round Rock, Ltd., a Texas limited partnership formerly known as Chuy's of RR, Ltd. ("Assignor"), and Chuy's Opco, Inc., a Delaware corporation ("Assignee"). Young Zapp JVRR, Ltd., a Texas limited partnership ("Landlord") is executing this Assignment solely for the purpose of evidencing Landlord's consent to this Assignment and of releasing Assignor from obligations of the tenant under the Lease that arise from or after the Effective Date.

Assignor desires to assign, transfer and convey to Assignee, and Assignee desires to accept from Assignor all of Assignor's right, title and interest in and to that certain Lease Agreement, dated January 22, 2001, as amended by First Amendment to Lease Agreement dated as of July 1, 2006 and by Second Amendment to Lease Agreement dated as of October 15, 2006, each between Assignor, as tenant, and Landlord, as landlord (as so amended, the "Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee all of Assignor's rights under, and interest in and to, the Lease to the extent arising on and after the Effective Date (including without limitation all prepaid rent and expenses, such as tax or insurance escrow payments, paid by Assignor to Landlord prior to the Effective Date).

1. **Assignee's Assumption of Obligations**. This Assignment is made subject to all of the conditions and terms contained in the Lease. By executing this Assignment, Assignee assumes and agrees to perform all of the terms, covenants and conditions contained in the Lease and required to be performed by the tenant thereunder, from and after the Effective Date, but not prior thereto, including without limitation the obligation to pay all rent and other sums payable by the tenant in accordance with the terms of the Lease. Assignee further agrees to attorn to Landlord under the Lease.

2. **Limited Release**. Landlord agrees that Assignor shall be released from all obligations of the tenant under the Lease that accrue under the Lease from and after the Effective Date. This Assignment shall not release, discharge or acquit Assignor from any obligation under the Lease arising prior to the Effective Date but Landlord and Assignor each advise Assignee that neither party is aware of any existing breach of the Lease by the other party. Landlord's consent to this Assignment shall not be deemed consent to any subsequent assignment of the Lease.

3. **Ratification**. Assignee ratifies and confirms the Lease and agrees that the Lease will continue in full force and effect, regardless of this Assignment.

4. **Entirety**. This Assignment embodies the entire agreement between the parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

5. **Binding Effect**. The terms of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

6. **Headings**. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

7. **Governing Law**. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. **Counterparts**. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of November 7, 2006 (the "Effective Date").

ASSIGNOR:

MY/ZP OF ROUND ROCK, LTD., a Texas limited partnership, formerly known as Chuy's of RR, Ltd.

By: Three Star Management GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNEE:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

Landlord is executing this Assignment for the sole purpose of reflecting its consent to the Assignment, and the limited release set forth in Paragraph 2 above, on the terms and conditions set forth herein.

YOUNG ZAPP JVRR, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Signature Page to
Round Rock Lease Assignment

Exhibit 10.28

LEASE AGREEMENT

between

YOUNG ZAPP SHENANDOAH, LTD., a Texas limited partnership, as Landlord

and

CHUY'S OF SHENANDOAH, LTD., a Texas limited partnership, as Tenant

June 1, 2003

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LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of June 1, 2003, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.

Definitions and Basic Provisions.

1.1

(a) "Landlord": Young Zapp Shenandoah, Ltd., a Texas limited partnership.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's of Shenandoah, Ltd., a Texas limited partnership.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(e) Tenant's Trade Name: Chuy's Comida Deluxe.

(f) "Premises": See **Exhibit A** attached hereto.

(g) "Building": That certain building of approximately 6,200 square feet, to be constructed by Landlord on the Premises.

(h) "Commencement Date": the date upon which Landlord delivers the Premises to Tenant with the Building constructed thereon.

(i) "Lease Term": The period beginning on the Commencement Date and ending one hundred twenty (120) months thereafter, except that if the Commencement Date is a date other than the first day of a month, the Lease Term shall be extended so as to give effect to the full term specified above in addition to the remainder of the month in which the Commencement Date occurs. The Lease Term maybe extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit B** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on the last day of the twelfth full calendar month thereafter. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) “Base Rent”: The initial Base Rent shall be $ 19,500.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on the first day of the third, fifth, seventh and ninth Lease Years, and during any extension period, in accordance with the provisions of **Exhibit B** and Section 3.2 below.

(1) “Percentage Rent”: Percentage Rent shall be calculated by multiplying six percent (6%) (the “Rate”) by Tenant’s Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $2,200.00 per month.

(n) “Permitted Use”: Use as a Chuy’s Comida Deluxe restaurant and related facilities or such other first class restaurant as Landlord may approve.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.

Lease Grant.

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.

Rent.

3.1 Tenant agrees to pay to Landlord in monthly installments the “Adjusted Rent”, which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. Tenant shall pay the first installment of Adjusted Rent to Landlord contemporaneously with the execution of this Lease. A like monthly installment shall be due and payable without demand beginning on the first day of the second month after the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term. If the Commencement Date is not the first day of a month, the Adjusted Rent payable on the first day of the second month of the term shall be prorated so that Tenant shall pay a proportionate share of Adjusted Rent based on the days in the prior month which fell on or after the Commencement Date.

3.2 Base Rent shall be adjusted on the first day of the third (3rd) Lease Year and on the first day of each second Lease Year thereafter (i.e., the fifth (5th), seventh (7th), and ninth (9th) Lease Year; each such day an “Adjustment Date”), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor’s Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the “CPI”). If the CPI ceases to be published, Landlord shall select a substitute index

which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the "Current CPI") to the CPI figure published just prior to the Commencement Date (the "Comparative CPI"). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to Landlord. Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.6 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.

Sales Reports and Records.

4.1 Beginning on the tenth (10th) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10th) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Austin, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency

or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.

Leasehold Improvements.

5.1 Landlord shall build the Building in accordance with plans and specifications approved by Landlord and Tenant. Upon completion of the Building, Landlord shall conditionally assign to Tenant (during the Lease Term and prior to any termination of Tenant's right of possession by reason of a default), all warranties obtained by Landlord with respect to the Building; however, Landlord shall retain the right to enforce such warranties in the event Tenant fails to do so. ***Tenant acknowledges and agrees that Landlord has not made, and will not make (whether by Landlord's delivery of the Building to Tenant or otherwise) any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LATENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same upon delivery in their "AS IS" condition as of that date, and as suitable for the purpose herein intended. Tenant agrees that Tenant shall rely solely upon the construction warranties assigned by Landlord to Tenant with respect to the condition of the Building, and that Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.

Use.

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1(e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or burn trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.

Maintenance and Repair.

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Shenandoah, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

ARTICLE 8.

Alterations.

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.

Landlord's Right of Access.

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.

Signs; Store fronts.

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Shenandoah. Tenant, at Tenant's sole expense, shall obtain permits from the City of Shenandoah for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.

Utilities.

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.

Indemnity; Insurance.

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN**

SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Tenant shall pay the cost of Landlord's Insurance to Landlord within thirty (30) days after Landlord delivers to Tenant a statement for same.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance and liquor liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **Two Million Dollars ($2,000,000)** combined single limit coverage for bodily injury, death to any one person or property damage in any one occurrence. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Montgomery County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such

policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.

Fire or Other Casualty.

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.

Condemnation.

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.

Assignment and Subletting.

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease. Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and Premises, and in such event and upon assumption by the

transferee of Landlord's obligations hereunder (any such transferee to have the benefit of, and be subject to, the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.

Property Taxes.

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the Building, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises, then all such taxes, assessments, levies or charges, or the part

thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.

Events of Default.

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.

Remedies.

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other

remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Shenandoah, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Montgomery County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions**. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.

Landlord's Lien.

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.**

ARTICLE 20.

Holding Over.

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one-thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.

Subordination; Lender Provisions.

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.

Brokerage.

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.

Estoppel Certificates.

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.

Notices.

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1(b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.

Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder.

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Montgomery County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material

breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Description of the Premises
Exhibit B - Options to Renew

DATED as of the date first above written.

LANDLORD:

Young Zapp Shenandoah, Ltd.,
a Texas limited partnership

By: Young Zapp GP, LLC, a Texas
limited liability company, General Partner

By: /s/ Michael Young
Name: Michael Young
Title: President

TENANT:

Chuy's of Shenandoah, Ltd., a Texas limited
partnership

By: Chuy's Group GP, LLC, a Texas limited
liability company, General Partner

By: /s/ Michael Young
Name: Michael Young
Title: President

First Amendment to
Lease Agreement

This First Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp Shenandoah, Ltd.**, a Texas limited partnership ("Landlord"), and **Chuy's of Shenandoah, Ltd.**, a Texas limited partnership ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated June 1, 2003 (the "Lease"), covering approximately 2.718 acres in Montgomery County, Texas, more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Insurance**. The first two (2) sentences of Section 12.5 of the Lease are amended in their entirety to read as follows:

Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** in excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate.

3. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of July 1, 2006.

LANDLORD:

YOUNG ZAPP SHENANDOAH, LTD.

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF SHENANDOAH, LTD., a Texas limited partnership

By: Chuy's Group GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Second Amendment to
Lease Agreement

This Second Amendment to Lease Agreement (this "Amendment") is made and entered into by and between **Young Zapp Shenandoah, Ltd.**, a Texas limited partnership ("Landlord"), and **Chuy's of Shenandoah, Ltd.**, a Texas limited partnership ("Tenant").

BACKGROUND INFORMATION:

A. Landlord and Tenant entered into a certain Lease Agreement dated June 1, 2003 (the "Lease"), covering approximately 2.718 acres in Montgomery County, Texas, more particularly described therein. The Lease was amended by First Amendment to Lease Agreement dated as of July 1, 2006.

B. Landlord and Tenant have agreed to modify the Lease as more particularly described below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Defined Terms**. All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.

2. **Lease Term**. The first sentence of Section 1.1(i) of the Lease is deleted and replaced in its entirety with the following:

"Lease Term": The period beginning on the Commencement Date and ending December 31, 2013.

3. **Base Rent**. Section 1.1 (k) of the Lease is deleted and is replaced in its entirety by the following:

(k) "Base Rent": The initial Base Rent shall be $19,500.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2006, January 1, 2008, January 1, 2010, January 1, 2012, and to the extent Tenant properly exercises the renewal option(s) set forth in **Exhibit B**, on January 1, 2014, January 1, 2016, January 1, 2018, January 1, 2020 and January 1, 2022, all in accordance with the provisions of **Exhibit B** and Section 3.2 below.

4. **Renewal Options**. Exhibit "B" of the Lease is deleted and is replaced in its entirety by **Exhibit B** attached hereto.

5. **Ratification**. Except as expressly modified by this Amendment, Landlord and Tenant hereby ratify and confirm the Lease.

Executed as of October 15, 2006.

LANDLORD:

YOUNG ZAPP SHENANDOAH, LTD.

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

CHUY'S OF SHENANDOAH, LTD., a Texas limited partnership

By: Chuy's Group GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNMENT OF LEASE

This Assignment of Lease (this "Assignment") is executed as of the date set forth below (the "Effective Date") between MY/ZP of Shenandoah, Ltd., a Texas limited partnership formerly known as Chuy's of Shenandoah, Ltd. ("Assignor"), and Chuy's Opco, Inc., a Delaware corporation ("Assignee"). Young Zapp Shenandoah, Ltd., a Texas limited partnership ("Landlord") is executing this Assignment solely for the purpose of evidencing Landlord's consent to this Assignment and of releasing Assignor from obligations of the tenant under the Lease that arise from or after the Effective Date.

Assignor desires to assign, transfer and convey to Assignee, and Assignee desires to accept from Assignor all of Assignor's right, title and interest in and to that certain Lease Agreement, dated June 1, 2003, as amended by First Amendment to Lease Agreement dated as of July 1, 2006 and by Second Amendment to Lease Agreement dated as of October 15, 2006, each between Assignor, as tenant, and Landlord, as landlord (as so amended, the "Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee all of Assignor's rights under, and interest in and to, the Lease to the extent arising on and after the Effective Date (including without limitation all prepaid rent and expenses, such as tax or insurance escrow payments, paid by Assignor to Landlord prior to the Effective Date).

1. **Assignee's Assumption of Obligations**. This Assignment is made subject to all of the conditions and terms contained in the Lease. By executing this Assignment, Assignee assumes and agrees to perform all of the terms, covenants and conditions contained in the Lease and required to be performed by the tenant thereunder, from and after the Effective Date, but not prior thereto, including without limitation the obligation to pay all rent and other sums payable by the tenant in accordance with the terms of the Lease. Assignee further agrees to attorn to Landlord under the Lease.

2. **Limited Release**. Landlord agrees that Assignor shall be released from all obligations of the tenant under the Lease that accrue under the Lease from and after the Effective Date. This Assignment shall not release, discharge or acquit Assignor from any obligation under the Lease arising prior to the Effective Date but Landlord and Assignor each advise Assignee that neither party is aware of any existing breach of the Lease by the other party. Landlord's consent to this Assignment shall not be deemed consent to any subsequent assignment of the Lease.

3. **Ratification**. Assignee ratifies and confirms the Lease and agrees that the Lease will continue in full force and effect, regardless of this Assignment.

4. **Entirety**. This Assignment embodies the entire agreement between the parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

5. **Binding Effect**. The terms of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

6. **Headings**. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

7. **Governing Law**. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. **Counterparts**. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed effective as of November 7, 2006 (the "Effective Date").

ASSIGNOR:

MY/ZP OF SHENANDOAH, LTD., a Texas limited partnership, formerly known as Chuy's of Shenandoah, Ltd.

By: Three Star Management GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

ASSIGNEE:

CHUY'S OPCO, INC., a Delaware corporation

By: /s/ David J. Oddi
Name: David J. Oddi
Title: Vice President

Landlord is executing this Assignment for the sole purpose of reflecting its consent to the Assignment, and the limited release set forth in Paragraph 2 above, on the terms and conditions set forth herein.

YOUNG ZAPP SHENANDOAH, LTD., a Texas limited partnership

By: Young Zapp GP, LLC, a Texas limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

Exhibit 10.29

LEASE AGREEMENT

between

YOUNG ZAPP ARBOR TRAILS, LTD.,
a Texas limited partnership, as Landlord

and

CHUY'S OPCO, INC,
a Delaware corporation, as Tenant

April 22, 2008

TABLE OF CONTENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of April 22, 2008, by and between the Landlord and the Tenant named below.

W I T N E S S E T H:

ARTICLE 1.
Definitions and Basic Provisions.

1.1

(a) "Landlord": Young Zapp Arbor Trails, Ltd., a Texas limited partnership.

(b) Landlord's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.: Mike Young.

(c) "Tenant": Chuy's Opco, Inc., a Delaware corporation.

(d) Tenant's Address: c/o 1623 Toomey Road, Austin, Texas 78704, Attn.; Steven J. Hislop.

(e) Tenant's Trade Name: Chuy's or Chuy's Mexican Restaurant.

(f) "Premises": Lot 4, Block A, Arbor Trails Subdivision, a subdivision in the City of Austin, Travis County, Texas, according to the map or plat recorded as Document Number 200500129, in the Official Public Records of Travis County.

(g) "Building": That certain building of approximately 6,886 square feet situated on the Premises.

(h) "Commencement Date": April 22, 2008.

(i) "Lease Term": The period beginning on the Commencement Date and ending December 31, 2018. The Lease Term may be extended by Tenant for two (2) terms of five (5) years each in accordance with the provisions of **Exhibit A** attached hereto. The phrase "Lease Term," as used herein, shall include all valid renewals or extensions thereof, unless the context clearly indicates to the contrary.

(j) "Lease Year": The first Lease Year shall begin on the Commencement Date and end on December 31, 2009. Each successive Lease Year shall consist of the twelve month period during the Lease Term which immediately follows the preceding Lease Year.

(k) "Base Rent": The initial Base Rent shall be $23,000.00 per month, payable as provided in Section 3.1 below. The Base Rent shall increase on January 1, 2011, January 1, 2013, January 1, 2015, January 1, 2017, and to the extent Tenant properly exercises the renewal option(s) set forth in **Exhibit A**, on January 1, 2019, January 1, 2021, January 1,

2023, January 1, 2025 and January 1, 2027, all in accordance with the provisions of **Exhibit A** and Section 3.2 below.

(l) "Percentage Rent": Percentage Rent shall be calculated by multiplying six percent (6%) (the "Rate") by Tenant's Gross Sales (as defined in Section 3.4 below) for each calendar year during the Lease Term, and subtracting the Base Rent payable for such calendar year. Percentage Rent shall be payable in accordance with the provisions of Section 3.3 below.

(m) Initial Tax Escrow Payment: $4,000.00 per month.

(n) "Permitted Use": Use as a Chuy's Mexican restaurant and related facilities or such other first class restaurant as Landlord may approve.

1.2 Each of the foregoing definitions and basic provisions shall be used in conjunction with, and limited by references thereto in, other provisions of this Lease.

ARTICLE 2.
Lease Grant.

2.1 Landlord hereby leases, demises and lets unto Tenant, and Tenant hereby takes from Landlord, the Premises beginning on the Commencement Date and ending on the last day of the Lease Term unless sooner terminated as herein provided.

ARTICLE 3.
Rent.

3.1 Tenant agrees to pay to Landlord in monthly installments the "Adjusted Rent", which is the sum of the monthly Base Rent and the monthly Tax Escrow Payment (as each may vary from time to time), without deduction or setoff, for each month of the Lease Term. Tenant shall pay the first installment of Adjusted Rent to Landlord contemporaneously with the execution of this Lease. A like monthly installment shall be due and payable without demand beginning on the first day of the second month after the Commencement Date and continuing thereafter on or before the first day of each succeeding month during the Lease Term. If the Commencement Date is not the first day of a month, the Adjusted Rent payable on the first day of the second month of the term shall be prorated so that Tenant shall pay a proportionate share of Adjusted Rent based on the days in the prior month which fell on or after the Commencement Date.

3.2 Base Rent shall be adjusted on the dates set forth in Section 1.1(i) above (*i.e.*, the first day of the third (3rd) Lease Year and the first day of each second Lease Year thereafter; each such day an "Adjustment Date"), in accordance with the provisions of this Section 3.2 to reflect increases in the cost of living, as measured by the United States Department of Labor's Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, U.S. City Average (1982-84 = 100), or the successor of that index (the "CPI"). If the CPI ceases to be published, Landlord shall select a substitute index which Landlord reasonably anticipates will yield a result substantially similar to the result produced by the CPI for purposes of the adjustment to be made pursuant to this Section.

On each Adjustment Date, Landlord shall compare the CPI figure published just prior to the applicable Adjustment Date (the "Current CPI") to the CPI figure published just prior to the Commencement

Date (the "Comparative CPI"). If on any Adjustment Date, the Current CPI exceeds the Comparative CPI, then beginning on the applicable Adjustment Date, the monthly Base Rent shall be increased to equal an amount determined by multiplying the initial Base Rent by a fraction, the numerator of which is the Current CPI and the denominator of which is the Comparative CPI. In no event, however, shall the Base Rent payable for any month of the Lease Term be less than the Base Rent payable for the immediately preceding calendar month.

Landlord shall notify Tenant of any adjustment to the Base Rent made by reason of this Section by the applicable Adjustment Date (or as soon thereafter as is reasonably practical), and thereafter Tenant shall pay the Base Rent, as so adjusted, until the next Adjustment Date. If Landlord notifies Tenant of a change in the Base Rent after an Adjustment Date, Tenant shall pay the difference between the Base Rent actually paid prior to such notice and the Base Rent actually due on or after such Adjustment Date, together with Tenant's next payment of Adjusted Rent.

3.3 In addition to the Adjusted Rent, Tenant shall pay to Landlord Percentage Rent to the extent that the product of Tenant's Gross Sales for any calendar year or partial calendar year during the Lease Term, multiplied by the Rate, exceeds the Base Rent payable by Tenant during such calendar year or partial calendar year. The amount at which Tenant's total Gross Sales for any calendar year, when multiplied by the Rate, equals the Base Rent payable by Tenant during the applicable calendar year is referred to herein as the "Breakpoint". The Percentage Rent shall be payable on a monthly basis in arrears beginning on the tenth (10th) day of the first month in any calendar year which follows the month during which the Breakpoint occurs. Each monthly payment shall be equal to the product of the Rate multiplied by the Gross Sales made during the immediately preceding month; provided, however, that with respect to the month during which the Breakpoint occurs, the Percentage Rent payment shall equal the Rate multiplied by the amount of Gross Sales made in such month after the Breakpoint was met. A final payment of Percentage Rent shall be made within sixty (60) days after the termination of this Lease, based on the final statement of Gross Sales to be provided to Landlord pursuant to Section 4.1 below.

3.4 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of food, beverages, or other merchandise (including gift and merchandise certificates) or services and any other receipts whatsoever from any and all business conducted (including without limitation, interest, time price differential, finance charges, service charges and credit sales), in or from the Premises, including, but not limited to, mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire or licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payments from its customer. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the amount of returns to shippers or manufacturers, (iii) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant, or (iv) sales of Tenant's fixtures.

3.5 If all or part of any sum which Tenant owes to Landlord hereunder is not received within five (5) days after the due date thereof, then (without in any way implying Landlord's consent to such late payment) Tenant, to the extent permitted by law, agrees to pay, in addition to the amount so due, a late payment charge equal to five percent (5%) of the amount which is overdue, it being understood that said late

payment charge shall be to reimburse Landlord for the additional costs and expenses which Landlord presently expects to incur in connection with the handling and processing of late payments by Tenant to Landlord. "Further, if Tenant fails to pay all or any part of any sum due hereunder within ten (10) days after the due date thereof, then, in any such event, Tenant shall pay Landlord interest on such overdue amount(s) from the due date thereof until paid at an annual rate (the "Past Due Rate") which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.6 Tenant's covenants and obligations to pay Adjusted Rent, Percentage Rent and any other sum due hereunder (collectively, the "Rent") shall be unconditional and independent of any other covenant or condition imposed on either Landlord or Tenant, whether under this Lease, at law or in equity.

ARTICLE 4.
Sales Reports and Records.

4.1 Beginning on the tenth (10th) day of the second full calendar month of the Lease Term, and continuing on or before the tenth (10th) day of each calendar month thereafter during the Lease Term and within ten (10) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales made during the preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year during the Lease Term and within sixty (60) days after termination of this Lease, Tenant shall prepare and deliver to Landlord at Landlord's Address a statement of Gross Sales during the preceding calendar year (or partial calendar year), confirmed as being correct by an officer of Tenant's general partner, or if Landlord so requests, by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such confirmed statement discloses an error in the calculation of Percentage Rent for any period, an appropriate adjustment of Percentage Rent shall be made, subject, however, to Landlord's rights under Section 4.3 below. In addition, Tenant shall deliver to Landlord, at Landlord's Address, copies of all Texas Sales and Use Tax Returns filed by Tenant with the Office of the Comptroller of Public Accounts of the State of Texas within ten (10) days after filing same.

4.2 Tenant shall keep in the Premises or at some other location in Austin, Texas which has been approved in writing by Landlord, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business in or from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate, and shall be subject to inspection, copying and audit by Landlord and Landlord's agents at all reasonable times.

4.3 If Landlord is not satisfied with any monthly or annual statement of Gross Sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records wherever located, pertaining to sales made in or from the Premises during the period in question If any audited statement is found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall pay promptly to Landlord any deficiency or Landlord shall refund promptly to Tenant any overpayment, as the case may be, which is established by such audit.

ARTICLE 5.
Leasehold Improvements.

5.1 By execution of this Lease, Landlord hereby conditionally assigns to Tenant (to be in effect only during the Lease Term and prior to any termination of Tenant's right of possession by reason of a default), all warranties obtained by Landlord with respect to the Building. Landlord retains, however, the right to enforce such warranties if Tenant fails to do so. ***Tenant acknowledges and agrees that Landlord has not made, and will not make (whether by Landlord's delivery of the Building to Tenant or otherwise) any representations or warranties, express or implied (expressly including, without limitation, warranties of habitability or fitness for a particular purpose) as to the condition of the Premises or the Building or with respect to the suitability of either for the purpose herein intended. THIS INCLUDES LA TENT OR PATENT DEFECTS IN THE BUILDING OR THE PREMISES, WHICH ARE EXPRESSLY WAIVED BY TENANT. By Tenant's execution of this Lease, Tenant agrees to accept same upon delivery in their "AS IS " condition, and as suitable for the purpose herein intended. Tenant agrees that Tenant shall rely solely upon the construction warranties assigned by Landlord to Tenant with respect to the condition of the Building, and that Tenant understands that Tenant may not require Landlord to maintain or repair in any manner the Building or the Premises.***

ARTICLE 6.
Use.

6.1 Tenant shall use the Premises only for the Permitted Use and for no other purpose or purposes without Landlord's prior written consent. Tenant shall use in the transaction of business from the Premises the trade name specified in Section 1.1(e) above and no other trade name without Landlord's prior written consent. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on upon the Premises the type of business for which the Premises are leased. Tenant shall operate its business with a complete menu of all items offered by other Chuy's Comida Deluxe locations, and with sufficient foods and beverages of a fresh, first class quality, and in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises consistent with good business practices, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance on all days (except for holidays approved in writing by Landlord) and during all hours (including evenings) established by Tenant from time to time as Tenant's business hours, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation.

6.2 Tenant shall not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed by Landlord to be disreputable in any manner or extra hazardous on account of fire, nor keep anything upon the Premises nor permit anything to be done on or around the Premises that will in any way invalidate, or increase the rate of insurance on the Building.

6.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Premises; nor place or permit any radio, television, loud-speaker or amplifier outside the Building; nor place an antenna, awning or other projection on the exterior of the Building; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger neighboring properties; nor do anything which would tend to injure the reputation of the Premises.

6.4 Tenant shall maintain the Premises in a clean, healthful and safe condition. Tenant shall store all trash and garbage on the Premises in a neat and sanitary manner and arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not operate an incinerator or bum trash or garbage upon the Premises.

6.5 Tenant shall procure, at Tenant's sole expense, any permits and licenses required for the transaction of business in the Premises and, at Tenant's sole expense, will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises.

6.6 Tenant shall keep all exterior electric signs lighted from dusk until at least 12:00 A.M. every day, including Sundays and holidays.

6.7 Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

ARTICLE 7.
Maintenance and Repair.

7.1 Tenant shall, throughout the Lease Term, keep and maintain the Building and the Premises in a good, clean condition of repair and maintenance, at a standard superior or equal to the standard of repair and maintenance for a first class restaurant in Austin, Texas. This obligation includes, but is not limited to the roof, foundation, air conditioning and heating systems, plumbing and electrical systems, water and sewer facilities and gas lines from their point of entry onto the Premises; all interior, exterior and structural components of the Building; and all driveways, parking areas, landscaping, drainage or filtration facilities or other improvements situated upon the Premises. Tenant shall not perform any acts or carry on any practices which might damage the structural integrity of the Building. If any repairs or maintenance required to be made by Tenant are not made within ten (10) days after written notice from Landlord to Tenant, Landlord may (but has no obligation to) make such repairs or perform such maintenance, without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs or maintenance, and Tenant shall pay to Landlord, as additional Rent hereunder, the cost of such repairs or maintenance plus twenty percent (20%) of such cost (as an administrative fee) within ten (10) days after Tenant's receipt of a statement from Landlord. Tenant further agrees not to commit or allow any waste or damage to be committed on any portion of the Premises. Tenant agrees that upon the expiration or earlier termination of this Lease, Tenant shall deliver up said Premises to Landlord in as good condition as of the delivery of the Premises to Tenant, ordinary wear and tear excepted. Tenant further acknowledges that Landlord shall not be required to perform any maintenance or to make any improvements or repairs of any kind or character on or to the Building, the Premises, or any portion thereof, during the Lease Term.

7.2 Tenant shall timely pay all common areas charges assessed against the Premises by any private restrictive covenant, including without limitation, those that require payment of a proportionate share of the cost of maintaining common water quality and detention facilities and common trails and landscaping within the shopping center of which the Premises is a part. Tenant shall perform all obligations of the "owner" of the Premises pursuant to all such restrictive covenants to the extent such obligations pertain to the maintenance of the Premises.

ARTICLE 8.
Alterations.

8.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Building. All alterations, additions, improvements or fixtures (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain a part of the Premises without compensation to Tenant, or at Landlord's election, shall be removed by Tenant. If Tenant is not then in default, all furniture, unattached, movable trade fixtures and equipment installed in the Premises by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be so removed if required by Landlord, or if not so removed shall, at the option of Landlord, become the property of Landlord. In the event Landlord requires the removal of any alterations, additions, improvements or fixtures, Tenant shall, at its expense, repair and restore any portion of the Premises which is damaged by such removal. All such installations, removals and restorations shall be accomplished in good, workmanlike manner so as not to damage the Premises or the primary structure or structural qualities of the Building or the plumbing, electrical lines or other utilities.

8.2 Any construction work done by Tenant upon the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall, upon Landlord's request, furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage.

8.3 Tenant will not permit any mechanic's lien or liens to be placed upon the Premises, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien, Tenant will immediately pay and discharge the same. If any lien remains against the Premises for fifteen (15) days, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord) within ten (10) days after Tenant's receipt of a statement from Landlord therefor.

ARTICLE 9.
Landlord's Right of Access.

9.1 Landlord may enter upon the Premises at all reasonable hours (or, if an emergency, at any hour) (a) to inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so), (b) to show the Premises to prospective tenants, purchasers or lenders or (c) for any other reasonable purpose; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

ARTICLE 10.
Signs; Store fronts.

10.1 Without Landlord's prior written consent, Tenant shall not (i) make any changes to or paint the store front; (ii) install any exterior lighting, decorations or paintings; or (iii) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, decorations and advertising media shall be subject to Landlord's prior written approval as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times, and shall comply with all ordinances and regulations of the City of Austin and all private restrictive covenants affecting the Premises. Tenant, at Tenant's sole expense, shall obtain permits from the City of Austin for all of Tenant's signs.

10.2 Tenant shall have all of Tenant's signs erected or installed and fully operative on or before the date upon which Tenant commences business from the Premises. Upon vacation of the Premises, Tenant must remove its signs. If and when Tenant removes or alters its signs (for any reason including vacation), Tenant shall repair, repaint, and/or replace the Building fascia surface where signs are or were attached.

ARTICLE 11.
Utilities.

11.1 Tenant shall timely pay all charges for electricity, water, gas, telephone service, sewer service and other utilities furnished to the Premises (including without limitation all connection fees) and promptly shall pay any maintenance charges therefor.

11.2 Landlord shall not be liable for any interruption or failure whatsoever in utility service.

ARTICLE 12.
Indemnity; Insurance.

12.1 Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, any similar matter, or any other cause whatsoever, except for the negligence or wilful misconduct of Landlord or Landlord's duly authorized agents or employees. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers or invitees, (b) Tenant's use of the Premises or the conduct of Tenant's business or profession, (c) any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. **THIS INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE LOSS IN QUESTION ARISES OR IS ALLEGED TO ARISE IN PART FROM ANY NEGLIGENT ACT OR OMISSION OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES, FROM STRICT LIABILITY OF ANY SUCH PERSONS OR OTHERWISE, BUT IN SUCH EVENT TENANT SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS**

WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS OR EMPLOYEES.

12.2 Landlord, at Tenant's sole cost, may maintain commercial general liability insurance, rent loss insurance and fire and extended coverage insurance upon the Building in such amounts as Landlord may from time to time determine ("Landlord's Insurance"). Tenant shall pay the cost of Landlord's Insurance to Landlord within thirty (30) days after Landlord delivers to Tenant a statement for same.

12.3 Tenant, at Tenant's sole expense, shall obtain and maintain during the Lease Term property insurance for full replacement cost (without deduction for depreciation) upon all improvements and fixtures situated in the Premises and not covered by Landlord's Insurance, and upon the contents of the Premises, which insurance shall provide protection against perils included within any ISO Special Form property insurance policy written by an admitted insurer in Texas, together with insurance against sprinkler damage (but Landlord makes no representation that the Building is equipped with a sprinkler system). Tenant expressly agrees that the proceeds of any such insurance shall be used for the repair or replacement of the property damaged or destroyed unless this Lease terminates as provided herein.

12.4 Each party hereto hereby waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any property insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property or business and which names Landlord or Tenant, as the case may be, as a party insured. Each party hereto agrees that it will provide to the other party evidence that its insurance carrier has endorsed all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

12.5 Tenant shall, at Tenant's expense, maintain a policy or policies of commercial general liability insurance pertaining to Tenant's use and occupancy of the Premises hereunder; such insurance to afford protection with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, with a **Two Million Dollar ($2,000,000)** annual aggregate. Additionally, Tenant shall maintain umbrella liability coverage with limits of not less than **Five Million and No/100 Dollars ($5,000,000.00)** m excess of the underlying coverages, and liquor liability insurance with limits of not less than **One Million Dollars ($1,000,000)** for bodily injury, death to any one person or property damage in any one occurrence, and a **Two Million Dollar ($2,000,000)** annual aggregate. The insurance coverage required under this Article 12 shall extend to any liability of Tenant arising out of Tenant's indemnity obligations under this Lease. The adequacy of the coverage afforded by said insurance shall be subject to review by Landlord from time to time, and if Landlord is advised by Landlord's insurance agent that a prudent businessman in Travis County, Texas, operating a business similar to that operated by Tenant upon the Premises, would increase the limits of said insurance, Tenant shall to that extent increase the insurance coverage required by this Section 12.5. In addition to the remedies provided in Article 18 of this Lease, if Tenant fails to maintain the insurance required by this Section, Landlord may, but is not obligated to, obtain such insurance, and Tenant shall pay to Landlord upon demand as additional Rent the premium cost thereof plus interest at the Past Due Rate from the date of payment by Landlord until repaid by Tenant.

12.6 All policies of insurance which Tenant is required to carry shall be issued in the forms required herein by good and solvent insurance companies licensed to do business in the State of Texas with a Best's Rating of "A" or higher and a Financial Size Category of VIII or higher. Each such policy shall be

issued in the name of Tenant, but Landlord and any other party in interest designated by Landlord (such as Landlord's lender, partners, partners' officers, brokers or property managers) shall be named as additional insured parties on the liability policies described herein under a Form CG 2026 1185 (or equivalent). Such policies shall be for the mutual and joint benefit and protection of Tenant, Landlord and any such other party in interest. Executed copies of each policy of commercial general liability insurance shall be delivered to Landlord and such other additional insured parties as Landlord may request prior to the delivery of the Premises to Tenant. Thereafter copies of each commercial general liability insurance policy shall be so delivered within thirty (30) days before the expiration of each existing policy. If any insurance policy required hereunder shall expire or terminate, a renewal or additional policy shall be procured and maintained by Tenant in like manner and to like extent. All such policies shall contain a provision that the company writing said policy will give to Landlord and other additional insured parties at least thirty (30) days notice in writing in advance of any cancellation or lapse. Tenant's liability policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry.

ARTICLE 13.
Fire or Other Casualty.

13.1 Tenant immediately shall deliver written notice to Landlord of any damage caused to the Building by fire or other casualty.

13.2 If the Building shall be damaged or destroyed by fire or other casualty and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Building, and this Lease shall continue in full force and effect. If the Building shall be destroyed or materially damaged, then Landlord may elect either to terminate this Lease as hereinafter provided or to proceed to rebuild and repair the Building. If Landlord elects to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty, and this Lease shall terminate as of the date of such notice. If Landlord should not elect to terminate this Lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Premises; provided, however, that if any Holder (defined below) of an Encumbrance (defined below) requires that the insurance proceeds be applied under such Encumbrance as a result of any such casualty, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. So long as the casualty does not result from any willful or negligent action or inaction of Tenant or Tenant's agents, employees, customers, contractors, or invitees, Landlord shall allow Tenant a reduction of Base Rent during the time the Building is unfit for occupancy, which reduction shall be based upon the proportion of square feet of the Building unfit for occupancy to the total square feet in the Building. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building shall be for the sole benefit of the party carrying such insurance and under its sole control.

13.3 Landlord's obligation to repair shall be limited to the restoration of the Building, and further shall be limited to the extent of insurance proceeds available to Landlord for such restoration. In no event shall Landlord be obligated to rebuild, or otherwise be liable for, any damage to Tenant's fixtures, signs, furnishings, equipment or personal property within the Building.

13.4 Tenant agrees that during any period of reconstruction or repair of the Building, Tenant will continue the operation of its business within the Building to the extent practicable.

ARTICLE 14.
Condemnation.

14.1 If any portion of the Premises shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, and following such taking, the remainder of the Premises shall be unsuitable for the conduct of Tenant's business in Landlord's reasonable opinion, either this Lease shall remain in full force and effect, but Tenant shall vacate the Premises and the Rent shall abate during the unexpired portion of the Lease Term, effective as of the date physical possession is taken by the condemning authority, or Landlord, in Landlord's sole discretion, may elect to terminate this Lease.

14.2 If a portion of the Premises shall be taken as aforesaid, but following such taking the remainder of the Premises is suitable for the conduct of Tenant's business, in Landlord's reasonable opinion, this Lease shall not terminate. In the event of such a taking, Landlord shall make all necessary repairs or alterations necessary to restore the Building to an architectural whole.

14.3 In the event of any taking of the Premises, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, that if a separate award is made to Tenant for loss of business or for the taking of Tenant's fixtures, Landlord shall have no interest in that award.

ARTICLE 15.
Assignment and Subletting.

15.1 Tenant shall not assign this Lease, nor sublet the Premises or any part thereof, without the prior written consent of Landlord. No assignment or subletting by Tenant shall relieve Tenant of any obligations under this Lease. Consent of Landlord to a particular assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent transaction.

15.2 If Landlord consents to any subletting or assignment by Tenant, and subsequently any category of rent received by Tenant under any such sublease is in excess of the same category of rent payable to Landlord under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, Landlord may, at its option, either (1) declare such excess rent under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder, or (2) cancel this Lease and at Landlord's option, enter into a lease directly with such assignee or subtenant, without liability to Tenant.

15.3 If Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may elect, at Landlord's sole option, to terminate this Lease, and if Landlord chooses, to enter into a lease directly with the proposed assignee or subtenant. Landlord shall have thirty (30) days' after the date Tenant notifies Landlord that Tenant desires to assign this Lease or sublet the Premises to notify Tenant of Landlord's election to terminate, and if applicable, to enter into such a new lease Tenant shall cooperate with Landlord to effect any such new lease.

15.4 Landlord shall have the right to transfer and assign, in whole or in part, all its rights and oblations hereunder and in the Building and Premises, and in such event and upon assumption by the transferee of Landlord's obligations hereunder (any such transferee to have the benefit of and be subject to the provisions of this Lease), no further liability or obligation shall thereafter accrue against Landlord

hereunder. Tenant agrees to look solely to such successor in interest to Landlord for the performance of any of Landlord's obligations hereunder.

15.5 Any liquidation of Tenant or any change in the ownership interests in Tenant or in the general partner of Tenant shall constitute an assignment for the purpose of this Lease. Tenant shall not sell, transfer, exchange, distribute or otherwise dispose of more than thirty percent (30%) of its assets (excluding the Lease) without the prior written consent of Landlord.

15.6 Tenant agrees that it shall not place (or permit any employee or agent to place) any signs on or about the Premises, nor conduct (or permit any employee or agent to conduct) any public advertising which includes any pictures, renderings, sketches or other representations of any kind of the Premises (or a portion thereof) with respect to any proposed assignment of this Lease or subletting of the Premises or any part thereof, without Landlord's prior written consent.

15.7 Tenant shall not mortgage, pledge, hypothecate or otherwise encumber (or grant a security interest in) this Lease or any of Tenant's rights hereunder.

15.8 Landlord may charge a reasonable fee for processing any request by Tenant for an assignment or sublease of the Premises. Acceptance of such fee by Landlord shall not be deemed Landlord's consent to any such action.

15.9 If Tenant assigns this Lease or sublets the Premises with Landlord's consent as provided herein, any option then held by Tenant (such as an option to renew this Lease) shall terminate automatically concurrently with the assignment or sublease.

ARTICLE 16.
Property Taxes.

16.1 Tenant shall pay all taxes levied or assessed against all personal property, furniture, fixtures or equipment placed by Tenant upon the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant on the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

16.2 Tenant shall pay all real property taxes, general and special assessments, license fees and other charges of every description (the "Taxes") which during the Lease Term may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon, whether belonging to Landlord or Tenant, or to which either of them may become liable. If, at any time during the Lease Term, the present method of taxation shall be changed so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on the Premises and the Building, there shall be levied, assessed or imposed on Landlord a capita] levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the term "Taxes" for the purposes of this Article.

16.3 As a component of Adjusted Rent, Tenant shall deposit with Landlord each month an amount (a "Tax Escrow Payment") equal to one-twelfth (1/12) of the Taxes for the applicable calendar year. Tenant expressly authorizes Landlord to use the funds deposited pursuant to this Section to pay such cost. The initial Tax Escrow Payment is the amount specified in Section 1.1 (m) above. The Tax Escrow Payment shall be based upon Landlord's estimate of the cost of the Taxes for any calendar year of the Lease Term, and shall be reconciled annually. If the reconciliation reveals that Tenant's total Tax Escrow Payments are less than the actual cost of the Taxes, Tenant shall pay the difference to Landlord within ten (10) days after Landlord delivers to Tenant a statement therefor. If the reconciliation reveals that Tenant's total Tax Escrow Payments are more than the actual cost of the Taxes, Landlord shall credit the difference to Tenant's Tax Escrow Payment account. With respect to any partial calendar year at the beginning or end of the Lease Term, Tenant's obligation to pay the Taxes shall be limited to the payment of Taxes attributable to the portion of the calendar year which lies within the Lease Term. Landlord shall have no obligation to pay interest to Tenant for Tax Escrow Payments made by Tenant and Landlord may commingle the funds received by Tenant pursuant to this Section with Landlord's general funds. Tenant's obligation to pay the Taxes shall survive the termination of this Lease, and a final reconciliation of Tenant's Tax Payments shall be made within thirty (30) days after Landlord's receipt of a tax bill for such final year of this Lease.

ARTICLE 17.
Events of Default.

17.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay when due any Rent or other sums payable by Tenant hereunder.

(b) Tenant shall fail to comply with or observe any other provision of this Lease within fifteen (15) days after written notice by Landlord to Tenant specifying wherein Tenant has failed to comply with or observe such provision; provided, however, that if the nature of Tenant's obligation is such that more than fifteen (15) days are required for its performance, then Tenant shall not be deemed to be in default if Tenant shall commence such performance within such fifteen-day period and thereafter diligently prosecute same to completion.

(c) Tenant shall make an assignment for the benefit of creditors.

(d) Any petition shall be filed by or against Tenant under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed thereunder; or Tenant shall admit that it cannot meet its financial obligations as they become due.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(f) Tenant shall abandon the Premises. For purposes of this Lease, Tenant shall be deemed to have abandoned the Premises if Tenant fails to utilize the Premises for the purpose permitted herein for five (5) or more consecutive days.

(g) Tenant shall remove any movable property or goods from the Premises to the prejudice of the lessor's privilege and lien in favor of Landlord.

(h) The business operated by Tenant shall be closed for failure to pay sales tax required by the State of Texas, or for any other reason.

If Landlord is required to notify Tenant of any default under the provisions of this Lease, such obligation shall terminate following the second notice of default delivered to Tenant within any twelve (12) month period during the Lease Term.

17.2 Landlord shall not be in default in the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant to Landlord specifying in detail Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are appropriate for performance, then Landlord shall not be deemed to be in default if Landlord begins performing within said thirty-day period and diligently continues performance through completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. To the extent permitted by applicable law, Tenant hereby waives the provisions of §91.004(b) of the Texas Property Code (or any successor thereto), and any other laws which may grant to Tenant a lien upon any of Landlord's property or upon any Rent due to Landlord. The obligations of the landlord hereunder will be binding upon the owner of the Premises only during the period of such ownership and not before or after such time. Upon the transfer by an owner of its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the landlord thereafter accruing, (but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership). Notwithstanding any other provision hereof, Landlord shall have no personal liability hereunder whatsoever for any damages, consequential or otherwise, and Tenant shall not recover any personal or money judgment against Landlord for any reason.

ARTICLE 18.
Remedies.

18.1 Upon the occurrence of any event of default by Tenant, Landlord shall have the option to pursue any and all remedies which Landlord then may have hereunder or at law or in equity, including, without limitation, any one or more of the following, in each case, without any notice or demand whatsoever.

(a) Terminate this Lease by notice in writing to Tenant in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Premises. To the extent permitted by Texas law, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including the amounts described in (b)(i) to (b)(vi) below.

(b) Enter upon and take possession of the Premises, and relet all or any part of the Premises on such reasonable terms as Landlord may elect (including, without limitation, such concessions and free rent as Landlord deems necessary or desirable) and receive the rent therefor, and Tenant agrees (i) to pay to Landlord on demand any deficiency that may

arise by reason of such reletting for the remainder of the Lease Term, and (ii) that Tenant shall not be entitled to any rent or other payments received by Landlord in connection with such reletting even if such rent or other payments exceed the amounts that otherwise would be payable to Landlord under this Lease. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in repossessing and reletting the Premises, including, without limitation, brokers' commissions, reasonable attorney's fees incurred in connection with the reletting and in connection with Tenant's default hereunder, expenses of repairing, altering and remodeling the Premises required by the reletting, and like costs. Alternatively, Landlord may repossess the Premises and sue to recover the following amounts:

(i) the worth at the time of award of any unpaid rent which had been earned at the time of termination (of possession or of this Lease, as applicable); plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after such termination until the time of award exceeds the amount of such rental loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount, including court costs, expenses of repossessing the Premises and expenses of restoring the Premises to a good condition of repair, necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law; and

(vi) all reasonable attorneys' fees incurred by Landlord relating to the default and termination of this Lease plus interest on all sums due Landlord by Tenant at the Past Due Rate.

As used in subparagraphs (i) and (ii) above, the "worth at the time of award" is to be computed by allowing interest at the Past Due Rate.

As used in subparagraph (iii) above, the "worth at the time of award" is to be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of the award plus one percent (1%).

The term "Rent" as used herein shall be deemed to be and to mean the Base Rent, the Tax Escrow Payment, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

For the purpose of computing the amount of Tenant's liability under this Section 18.1 for Percentage Rent after default, the annual Percentage Rent for

which Tenant shall be liable after termination of Tenant's right to possession shall be the average of the annual Percentage Rent payments owed by Tenant during the lesser of twenty-four (24) months before such termination or the portion of the Lease Term expired before such termination. Tenant will also owe Percentage Rent for any period between the previous payment of Percentage Rent and the date of termination (unless such payment previously was made by Tenant); and upon such termination Tenant will be obligated to submit to Landlord a statement showing accurately Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require. The provisions of this subparagraph relating to Percentage Rent payable by Tenant hereunder are included solely for the purpose of providing for the payment of rent in excess of the Base Rent, and providing for a method whereby such rent is to be measured, ascertained and paid, and shall be cumulative with and not in limitation of all other remedies provided for Landlord herein.

(c) Make such payments or enter upon the Premises and perform whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including reasonable attorney's fees), and Tenant further agrees that Landlord shall not be liable for, and expressly releases Landlord from, any damages resulting from such actions, **expressly including damages arising from Landlord's negligent acts or omissions**.

18.2 Landlord may alter and/or change all locks or other security devices at the Premises in connection with any entry upon the Premises by Landlord as permitted in this Article. Landlord may lock out, expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor, **expressly including damages arising from Landlord's negligent acts or omissions upon the Premises** If Landlord alters or changes any lock or other security device, Landlord shall place a written notice on the main entrance of the Premises stating the name and location or telephone number of the person from whom the new key, combination or means of access may be obtained. The new key, combination or means of access shall be provided only during Landlord's regular business hours and Landlord shall not be required to provide to Tenant such new key, combination or means of access unless and until Tenant has cured all defaults hereunder. The provisions of this Section 18.2 supersede all provisions of §93.002 of the Texas Property Code (or any successor thereto). No re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention be given to Tenant. Notwithstanding any such reletting or re-entry or taking possession, Landlord may at any time thereafter terminate this Lease for a previous default.

18.3 Landlord may collect, from time to time, by suit or otherwise, each installment of rent (or portion thereof as represents any deficiency after a reletting) as it becomes due hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Landlord's acceptance of rent following an event of default hereunder shall not be construed as Landlord's waiver of such event of default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No payment by Tenant or

receipt by Landlord of any amount less than the amounts due by Tenant hereunder shall be deemed to be other than on account of the amounts due by Tenant hereunder, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

18.4 If Landlord terminates Tenant's right of possession of the Premises without terminating this Lease, Landlord shall make reasonable efforts to relet all or any part of the Premises on such terms as Landlord shall deem reasonable (including, without limitation, such concessions, leasehold improvements, and free rent as Landlord deems necessary or desirable) by, within sixty (60) days after such termination of possession of the Premises, (i) placing a "For Lease" sign at the Premises, (ii) either (a) advertising the Premises in commercial real estate marketing publications in Austin, Texas, or (b) entering into a listing agreement with a real estate agent for the lease of the Premises, and (iii) showing the Premises to prospective tenants who request to see the Premises. ***Tenant expressly agrees that if Landlord takes the measures set forth in this Section, Landlord shall be deemed to have taking objectively reasonable measures to relet the Premises.***

18.5 If Landlord takes possession of the Premises as permitted herein, then Landlord may keep in place and use all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord also may remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property located thereon and place same in storage at any premises within Travis County, Texas; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall indemnify and hold Landlord harmless from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property to Claimant, **expressly including costs, expenses, loss, damage or liability arising out of Landlord's negligent acts or omissions**. The rights of Landlord herein stated shall be in addition to any and all other rights which Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

ARTICLE 19.
Landlord's Lien.

19.1 **TENANT HEREBY GRANTS TO LANDLORD A FIRST AND PRIOR LIEN AND SECURITY INTEREST ON ALL PROPERTY OF TENANT, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, MACHINERY, EQUIPMENT, FURNISHINGS, INVENTORY AND OTHER ARTICLES OF PERSONAL PROPERTY, NOW OR HEREAFTER PLACED IN OR UPON THE PREMISES, AND ALSO UPON THE PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY.**

WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT, SUCH PROPERTY SHALL NOT BE REMOVED FROM THE PREMISES AT ANY TIME WHEN A DEFAULT EXISTS UNDER THIS LEASE. THIS LIEN AND SECURITY INTEREST SHALL SECURE TENANT'S PERFORMANCE HEREUNDER, AND SHALL BE IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS PROVIDED BY LAW. THIS LEASE SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE SO THAT LANDLORD SHALL HAVE AND MAY ENFORCE A SECURITY INTEREST ON ALL OF SAID PROPERTY. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS LEASE, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON EXECUTION OF THIS LEASE, AND FROM TIME TO TIME THEREAFTER UPON LANDLORD'S REQUEST, TENANT SHALL EXECUTE AS DEBTOR SUCH FINANCING STATEMENTS OR EXTENSIONS OR CHANGE INSTRUMENTS AS LANDLORD MAY NOW OR HEREAFTER REQUEST IN ORDER THAT SUCH SECURITY INTEREST OR INTEREST MAY BE AND REMAIN PERFECTED PURSUANT TO SAID CODE. LANDLORD MAY AT ITS ELECTION AT ANY TIME FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL OF THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE, WHICH RIGHTS AND REMEDIES SHALL IN ADDITION TO AND CUMULATIVE OF LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OR BY THE OTHER TERMS AND PROVISIONS OF THIS LEASE.

ARTICLE 20.
Holding Over.

20.1 Should Tenant fail to surrender the Premises, or any part thereof, upon the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy at will only, at a daily rental equal to two hundred percent (200%) of the sum of (a) one-thirtieth (1/30) of the monthly Base Rent payable for the last month of the Lease Term and (b) one-thirtieth (1/30) of the Percentage Rent payable for the last month of the Lease Term. All provisions of this Lease except for those pertaining to Base Rent, Percentage Rent and Lease Term shall apply to Tenant's holdover occupancy. The inclusion of the preceding sentences shall not be construed as Landlord's consent for Tenant to hold over.

ARTICLE 21.
Subordination: Lender Provisions.

21.1 This Lease is and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any part thereof and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not

materially and adversely affect Tenant's rights or duties hereunder) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.

21.2 In the event of the enforcement by any Holder of its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease actually delivered to the successor in interest, or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for. At Tenant's request, Landlord shall use reasonable efforts to obtain a nondisturbance agreement from any Holder.

21.3 If the Premises or any part thereof is at any time subject to an Encumbrance, this Lease or any of the Rent is assigned to the Holder thereof, and Tenant is given written notice thereof, including the post office address of such assignee, Tenant shall not exercise any remedy for a default on the part of Landlord without first giving written notice by certified mail, return receipt requested, to such Holder, specifying the default in reasonable detail, and affording such Holder a reasonable opportunity to make performance, at its election, for and on behalf of Landlord.

ARTICLE 22.
Brokerage.

22.1 Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiations or execution of this Lease, and Tenant agrees to indemnify Landlord against all costs, expenses, attorneys' fees or other liability for commissions or other compensations or charges claimed by any broker or agent claiming the same by, through or under Tenant for this Lease, or any renewals, extensions, amendments, addenda or expansions with respect to this Lease.

ARTICLE 23.
Estoppel Certificates.

23.1 Tenant shall furnish from time to time when requested by Landlord, a Holder or prospective Holder, or a prospective purchaser of the Premises, a certificate signed by Tenant confirming and containing such factual certifications and representations deemed appropriate by the party requesting the certificate, and Tenant shall, within ten (10) days after receipt of said proposed certificate from Landlord, return a fully executed copy of said certificate to Landlord. Tenant's failure to return a fully executed copy of such certificate to Landlord within the foregoing ten-day period, shall be an event of default under this Lease without the necessity of any further notice from Landlord, and Landlord immediately may exercise all rights under Article 18 above.

ARTICLE 24.
Notices.

24.1 Each provision of this Lease, or of any applicable governmental laws, ordinances, regulations, and other requirements with reference to the sending, mailing or delivery of any notice, or with

reference to the making of any payment or request by Tenant or Landlord, shall be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to, and must be received by, Landlord on the date due and at Landlord's Address set forth in Section 1.1 (b) or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith (following any such notice, the new address shall be deemed "Landlord's Address").

(b) Any notice, request or document (excluding Rent and other payments) permitted or required to be delivered hereunder must be in writing and shall be deemed to be received upon receipt if hand delivered, and whether or not received when deposited in the United States mail, postage prepaid, certified mail (with or without return receipt requested), addressed to Landlord at Landlord's Address and addressed to Tenant at Tenant's Address set forth in Section 1.1(d) or at such other address as either of said parties have theretofore specified by written notice delivered in accordance herewith; provided, however, that in all events Landlord shall have the right to give Tenant notice at the Premises.

If and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall arrange among themselves for their joint execution of such notices specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with term "Tenant" shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment.

ARTICLE 25.
Miscellaneous

25.1 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

25.2 This Lease may not be altered, changed or amended, except by instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

25.3 Tenant shall peaceably and quietly hold and enjoy the Premises for the Lease Term, without hindrance from Landlord or Landlord's successors or assigns, subject to (i) the terms and conditions of this Lease, including the performance by Tenant of all of the terms and conditions of this Lease to be performed by Tenant, including the payment of rent and other amounts due hereunder, and (ii) actions and claims of any person or entity holding superior title to that of Landlord.

25.4 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.5 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. If there be a guarantor of Tenant's obligations hereunder, the obligations hereunder imposed by Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever, including, without limitation, in case of any amendments hereto, waivers hereof or failure to give such guarantor any notices hereunder,

25.6 The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

25.7 Any approval by Landlord or Landlord's architects and/or engineers of any of Tenant's drawings, plans and specifications that are prepared in connection with any construction of improvements on the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose, or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

25.8 Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement.

25.9 There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any interest in such fee estate.

25.10 Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, or any portion thereof, except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

25.11 The submission of this Lease to Tenant for examination does not constitute an offer, reservation or option in favor of Tenant, and Tenant shall have no rights with respect to this Lease or the Premises unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

25.12 This Lease shall be subject to any and all easements, rights-of-way, covenants, liens, conditions, restrictions, outstanding mineral interest and royalty interests, if any, relating to the Premises, to the extent, and only to the extent, same still may be in force and effect and either shown of record in the Office of the County Clerk of Travis County, Texas or apparent on the Premises.

25.13 This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event

whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or detention of money hereunder exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance, Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of the Rent; and if such amount which would be excessive interest exceed the Rent, then such additional amount shall be refunded to Tenant.

25.14 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.

25.15 This Lease is intended to be a "Net Lease" under which Landlord receives all of the Adjusted Rent and Percentage Rent net of all expenses relating to or incurred in connection with the Premises. All such expenses incurred during the Lease Term shall be borne by Tenant.

25.16 Tenant shall not bring or permit to remain on the Premises any asbestos, petroleum or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with the Permitted Use and stored in the usual manner and quantities. Tenant's violation of the foregoing prohibition shall constitute a material breach and default hereunder and Tenant shall indemnify, hold harmless and defend Landlord from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorneys' fees and court costs) caused by or arising out of a violation of the foregoing prohibition. Tenant shall clean up, remove, remediate and repair, in conformance with the requirements of applicable law, any soil or ground water contamination and damage caused by Tenant's violation of this provision in, on, under, or about the Premises during the Lease Term. Tenant shall immediately give Landlord written notice of any suspected breach of this Section, upon learning of the presence or any release of any Hazardous Materials and upon receiving any notices from governmental agencies pertaining to Hazardous Materials which may affect the Premises. The obligations of Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this lease. Landlord shall have the right to enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Section, and in the event any such audit, assessment or test reflects that Tenant is in violation of this Section, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test.

25.17 All exhibits and attachments, riders and addenda referred to in this Lease and the exhibits listed hereinbelow and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

Exhibit A - Options to Renew

DATED as of the date first above written.

LANDLORD:

Young Zapp Arbor Trails, Ltd.,
a Texas limited partnership

By: Young Zapp GP, LLC, a Texas
limited liability company, General Partner

By: /s/ Michael R. Young
Michael R. Young, President

TENANT:

Chuy's Opco, Inc., a Delaware Corporation

By: /s/ Steven J. Hislop
Steven J. Hislop, President

Exhibit 21.1

Subsidiary	Jurisdiction of Incorporation
Chuy's Opco, Inc.	Delaware
Chuy's Services, LLC	Delaware
Chuy's Holdco, LLC	Texas
Chuy's Bevco, LLC	Texas

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement on Form S-1 of Chuy's Holdings, Inc. of our report dated August 5, 2011, relating to our audits of the consolidated financial statements, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the captions "Experts" and in such Prospectus.

/s/ McGladrey & Pullen, LLP

Dallas, Texas
August 5, 2011

Exhibit 24.1

Power of Attorney

Each of the undersigned hereby constitutes and appoints Jose Ferreira, Steve Hislop and Sharon Russell, and each of them, with full power to act and with full power of substitution and resubstitution, his true and lawful attorneys-in-fact with full power to execute in his name and on his behalf in his capacity as a director or officer or both, as the case may be, of Chuy's Holdings, Inc., a Delaware corporation (the "Company") a Registration Statement on Form S-1 (the "Registration Statement") and any and all amendments to the Registration Statement for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act"), shares of the Company's common stock, par value $0.01 per share, including post-effective amendments to such Registration Statement, and to sign any and all additional registration statements relating to the same offering of securities as the Company's Registration Statement that are filed pursuant to the requirements of the Securities Act, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, and hereby ratifies and confirms that such attorneys-in-fact, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

/s/ Steven J. Hislop
Steven J. Hislop

/s/ Sharon Russell
Sharon Russell

/s/ Jose Ferreira, Jr.
Jose Ferreira, Jr.

/s/ David J. Oddi
David J. Oddi

/s/ Michael C. Stanley
Michael C. Stanley

/s/ Michael R. Young
Michael R. Young

/s/ John A. Zapp
John A. Zapp

/s/ Ira L. Zecher
Ira L. Zecher

Dated: August 4, 2011