AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 23, 1996

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FAMOUS DAVE'S OF AMERICA, INC.
(Name of Small Business Issue in its Charter)

MINNESOTA	5812	41-1782300
(State or other jurisdiction of incorporation)	(Primary standard industrial classification code number)	(I.R.S. Employer Identification Number)

12700 INDUSTRIAL BOULEVARD, SUITE 60
PLYMOUTH, MINNESOTA 55441
(612) 557-5798
(Address and Telephone Number of Principal Executive Offices)

DAVID W. ANDERSON, CHIEF EXECUTIVE OFFICER
FAMOUS DAVE'S OF AMERICA, INC.
12700 INDUSTRIAL BOULEVARD, SUITE 60
MINNEAPOLIS, MINNESOTA 55441
(612) 557-5798
(Name, Address, and Telephone Number of Agent For Service)

Copies to:

WILLIAM MOWER, ESQ.
DOUGLAS T. HOLOD, ESQ.
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APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Units each consisting of one share of Common Stock, $.01 par value, and one Class A Warrant to purchase one share of Common Stock..........................	2,300,000 Units(3)	$6.00	$13,800,000	$4,758.62
Common Stock, $.01 par value(4)...	2,300,000 Shares	$8.50	$19,550,000	$6,741.38

(1) Pursuant to Rule 415 under the Securities Act of 1933, as amended, this registration statement also covers such additional securities as may become issuable upon exercise of Class A Warrants.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act of 1933, as amended.

(3) Includes 300,000 Units subject to an option granted to the Underwriter to cover over-allotments, if any.

(4) Issuable upon exercise of the Class A Warrants.

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.

FAMOUS DAVE'S OF AMERICA, INC.
CROSS REFERENCE SHEET
PURSUANT TO RULE 404

ITEM NUMBER IN FORM SB-2 AND TITLE OF ITEM		CAPTION OR LOCATION IN PROSPECTUS
Item 1.	Front of Registration Statement and Outside Front Cover of Prospectus.......	Front of the Registration Statement and Outside Front Cover Page of the Prospectus
Item 2.	Inside Front and Outside Back Cover Pages of Prospectus....................	Inside Front and Outside Back Cover Pages of Prospectus; Additional Information
Item 3.	Summary Information and Risk Factors....	Prospectus Summary; Risk Factors
Item 4.	Use of Proceeds........................	Use of Proceeds
Item 5.	Determination of Offering Price.........	Outside Front Cover Page; Risk Factors; Underwriting
Item 6.	Dilution................................	Risk Factors; Dilution
Item 7.	Selling Security Holders................	Not applicable
Item 8.	Plan of Distribution...................	Outside Front Cover Page; Underwriting
Item 9.	Legal Proceedings......................	Business
Item 10.	Directors, Executive Officers, Promoters	

	and Control Persons....................	Management
Item 11.	Security Ownership of Certain Beneficial Owners and Management..................	Principal Shareholders
Item 12.	Description of Securities..............	Prospectus Summary; Dividend Policy; Description of Securities
Item 13.	Interest of Named Experts and Counsel...	Legal Matters; Experts
Item 14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities............................	Underwriting
Item 15.	Organization Within Last Five Years.....	Business; Management's Discussion and Analysis of Financial Condition and Results of Operations; Certain Transactions
Item 16.	Description of Business................	Business
Item 17.	Management's Discussion and Analysis or Plan of Operation......................	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 18.	Description of Property................	Business
Item 19.	Certain Relationships and Related Transactions...........................	Certain Transactions
Item 20.	Market for Common Equity and Related Stockholder Matters....................	Outside Front Cover Page of Prospectus; Risk Factors; Description of Securities; Underwriting
Item 21.	Executive Compensation.................	Management
Item 22.	Financial Statements...................	Financial Statements
Item 23.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.............................	Not applicable

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION; DATED AUGUST 23, 1996

Famous Dave's Logo

FAMOUS DAVE'S OF AMERICA, INC.

2,000,000 UNITS

Consisting of 2,000,000 Shares of Common Stock and 2,000,000 Redeemable Class A Warrants

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Famous Dave's of America, Inc. (the "Company") is offering 2,000,000 units (the "Offering"), each unit consisting of one share of Common Stock (a "Share") and one redeemable Class A Warrant at an initial public offering price of $6.00 per unit (a "Unit"). The Class A Warrants are immediately exercisable and, commencing ten trading days after the Effective Date (as hereinafter defined), transferable separate from the Common Stock. Each Class A Warrant entitles the holder to purchase at any time until four years following the date that the Registration Statement relating to this Prospectus has been declared effective by the Securities and Exchange Commission (the "Effective Date"), one share of Common Stock at an exercise price of $8.50 per warrant, subject to adjustment. The Class A Warrants are subject to redemption by the Company for $.01 per warrant at any time 90 days after the Effective Date, on 30 days' written notice, provided that the average closing bid price of the Common Stock exceeds 120% of the Exercise Price (subject to adjustment) for any 20 consecutive trading days prior to such notice. See "Description of Securities."

Prior to this Offering, there has been no market for the Company's securities. See "Underwriting" for information relating to the factors considered in determining the Price to Public. The Company has applied for listing its Common Stock, Class A Warrants and Units on the Nasdaq SmallCap Market under the symbols DAVE, DAVEW, and DAVEU, respectively.

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK AND SUBSTANTIAL DILUTION. SEE "RISK FACTORS" COMMENCING ON PAGE 6 AND "DILUTION" ON PAGE 11.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Unit................................	$6.00	$0.48	$5.52
Total (3)(4)............................	$12,000,000	$960,000	$11,040,000

(1) The Underwriter will receive a sales commission equal to 8% of the Total Price to Public from the sale of the Units. The Company has also agreed to pay the Underwriter a nonaccountable expense allowance equal to 2% of the Total Price to Public. The Company has also agreed to sell to the Underwriter, for nominal consideration, a 5-year warrant to purchase up to 200,000 shares at 120% of the Price to Public (the "Underwriter's Warrant"). In addition, the Company has agreed to indemnify the Underwriter against certain liabilities. See "Underwriting."

(2) Before deducting expenses of the offering estimated at $220,000, which does not include the 2% nonaccountable expense allowance described in Note 1 above and assumes no exercise of the Underwriter's over-allotment option.

(3) The Underwriter has been granted a 45-day option to purchase up to 300,000 additional Units from the Company for the purpose of covering over-allotments. If the Underwriter purchases all of the Units under the over-allotment option, the Total Price to Public, Total Underwriting Discount and Total Proceeds to Company will be $13,800,000, $1,104,000 and $12,696,000, respectively. See "Underwriting."

(4) At the request of the Company, up to 15% of the Units offered hereby may be reserved for sale to persons designated by the Company at the Price to Public.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK, THE CLASS A WARRANTS AND/OR THE UNITS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Units are offered by the Underwriter, subject to receipt and acceptance by it, its right to reject orders in whole or in part and to certain other conditions. It is expected that delivery of certificates representing the Units will be made on or about , 1996 in Minneapolis, Minnesota.

RJ Steichen & Company Logo

The date of this Prospectus is , 1996.

PICTURES

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed

information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Unless otherwise indicated, the information in this Prospectus assumes no exercise of Class A Warrants offered hereby or of the Underwriter's over-allotment option. Investors should carefully consider the information set forth under the caption "Risk Factors."

THE COMPANY

The business of Famous Dave's of America, Inc. (the "Company") is to develop, own and operate American roadhouse-style barbeque restaurants under the name "Famous Dave's Bar-B-Que Shack." The Company presently owns and operates two restaurants, one located in the Linden Hills neighborhood of Minneapolis (the "Linden Hills Unit"), and the other in Roseville, Minnesota (the "Roseville Unit" and, collectively with the Linden Hills Unit, the "Existing Units"). The Company is also developing a larger restaurant in Calhoun Square in Minneapolis (the "Calhoun Blues Joint"), which will feature live blues music during certain evenings and an authentic Chicago blues decor, and is scheduled to open in early September 1996. The Company is planning to develop two additional restaurants to be located in Minnetonka, Minnesota (the "Minnetonka Unit") and on West 7th Street near the Highland Park area of St. Paul (the "Highland Park Unit"). These two additional units are expected to open from the third quarter of 1996 through early 1997. The Calhoun Blues Joint and the Minnetonka Unit are presently planned to be significantly larger than the Existing Units.

While the Company's primary theme for its restaurants is the roadhouse-style decor, various other themes have been identified and developed. The Existing Units were designed to be reminiscent of roadhouse-style barbeque "joints." The Company's nostalgic roadside shack theme is promoted by the abundant use of rustic antiques and items of Americana from the '20s and '30s. Two additional themes have been developed, including the larger Calhoun Blues Joint with live blues music several nights a week, and a north woods log cabin decor. Consistent in all themes is the use of recorded or live blues music and award-winning barbeque.

Each restaurant features an assortment of menu items, such as hickory-smoked St. Louis-style spareribs, Texas beef brisket, herb-roasted chicken, barbeque sandwiches, and char-grilled burgers, as well as honey-buttered corn bread, potato salad, cole slaw and "Wilbur"(TM) beans. Homemade desserts, including Famous Dave's homemade bread pudding, Kahlua(TM) brownies and strawberry shortcake, are a specialty. The Company's Famous Dave's BBQ Sauces, which are provided in four regional variations (Rich-N-Sassy(TM), Texas Pit(TM), Georgia Mustard(TM) and Hot Stuff(TM)), represent signature items for the Company.

The Company opened the Linden Hills Unit, a 2,900-square-foot facility with approximately 60 indoor and 40 patio seats, in June 1995 in the primarily residential Linden Hills neighborhood of south Minneapolis. The Company opened its second restaurant, a 4,800-square-foot facility with approximately 100 seats, in suburban Roseville, Minnesota, in June 1996. The Calhoun Blues Joint, an approximately 250-seat, 10,500-square-foot live blues music facility, is under construction and is scheduled to open in Calhoun Square in the Uptown area of Minneapolis in September 1996. Two additional restaurants are being planned for development in the Minneapolis/St. Paul area which are scheduled to open by early 1997.

The Company was incorporated in March 1994 as a Minnesota corporation. Its executive offices are located at 12700 Industrial Boulevard, Suite 60, Minneapolis, Minnesota 55441 and its telephone number is 612-557-5798.

THE OFFERING

Securities Offered...........	2,000,000 Units, each Unit consisting of one share of Common Stock and one redeemable Class A Warrant at an initial public offering price

of $6.00 per Unit. Each Class A Warrant is immediately exercisable and, commencing ten trading days after the Effective Date, transferable separately from the Common Stock. Each Class A Warrant entitles the holder to purchase at any time until four years after the Effective Date, one share of Common Stock at an exercise price of $8.50 per Warrant, subject to adjustment. The Class A Warrants are subject to redemption by the Company for $.01 per Warrant at any time 90 days after the Effective Date, on 30 days written notice, provided that the average closing bid price of the Common Stock exceeds 120% of the Exercise Price (subject to adjustment) for any 20 consecutive trading days prior to such notice.

Common Stock Outstanding Before this Offering........ 3,356,250 shares

Common Stock Outstanding After this Offering......... 5,356,250 shares(1)

Proposed Nasdaq Symbols:
- Common Stock................ DAVE
- Warrants.................... DAVEW
- Units....................... DAVEU

Use of Proceeds.............. Approximately $10,000,000 for development and opening of five to ten new restaurants and the balance, if any, for working capital purposes.

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(1) Does not include (i) 300,000 Units subject to the Underwriter's over-allotment option; (ii) 200,000 shares of Common Stock issuable upon exercise of the Underwriter's Warrant at 120% of the Price to Public; (iii) 2,000,000 shares of Common Stock which are issuable upon the exercise of the Class A Warrants at an exercise price of $8.50 per warrant; (iv) 700,000 shares of Common Stock reserved for issuance under the Company's 1995 Stock Option and Compensation Plan, of which 342,500 have been granted; and (v) 50,000 shares of Common Stock issuable upon exercise of directors' stock options at an exercise price of the higher of 66.67% of the Price to Public or $3.50 per share.

SUMMARY FINANCIAL INFORMATION

	MARCH 14, 1994 (INCEPTION) TO DECEMBER 31, 1994(1)	YEAR ENDED DECEMBER 31, 1995(1)	TWENTY-SIX WEEKS ENDED JUNE 30, 1995(1)	TWENTY-SIX WEEKS ENDED JUNE 30, 1996
STATEMENT OF OPERATIONS DATA:				
Sales....................................	$ 0	$ 481,510	$ 23,601	$1,015,856
Cost of sales............................	0	169,789	13,278	336,600
Gross profit...........................	0	311,721	10,323	679,256
Restaurant operating expenses............	0	302,217	45,991	391,232
Depreciation and amortization............	0	17,009	2,000	36,289
General, administrative and development...	0	332,331	57,040	634,460
Other (income) expense...................	0	(33,646)	0	5,477
Net loss...............................	$ 0	$ (306,190)	$ (94,708)	$ (388,202)
Net loss per share.......................	$ 0.00	$ (0.14)	$ (0.04)	$ (0.18)
Shares used in per share calculation......	2,135,417	2,135,417	2,135,417	2,135,417

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	JUNE 30, 1996		
	ACTUAL	PROFORMA (2)	PROFORMA AS ADJUSTED(2)(3)
BALANCE SHEET DATA:			
Working capital (deficiency).........................	$ (2,239,340)	$1,965,660	$12,627,984
Total assets...	3,511,524	7,716,524	18,296,524
Total liabilities....................................	3,205,916	3,205,916	3,205,916
Accumulated deficit..................................	(694,392)	(694,392)	(694,392)
Stockholders' equity.................................	305,608	4,510,608	15,090,608

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(1) The Company began operations at the Linden Hills Unit in June 1995. Prior to such time, the Company had no operations.

(2) Assumes completion on June 30, 1996 of the sale of 1,356,250 shares of Common Stock at $3.50 per share for net proceeds of approximately $4,200,000 that actually occurred in July 1996.

(3) As adjusted for the sale of the Units offered hereby and the anticipated application of the net proceeds therefrom. Does not include: (i) 300,000 Units subject to the Underwriter's over-allotment option; (ii) 200,000 shares of Common Stock issuable upon exercise of the Underwriter's Warrant at 120% of the Price to Public; (iii) 2,000,000 shares of Common Stock which are issuable upon the exercise of the Class A Warrants at an exercise price of $8.50 per warrant; (iv) 700,000 shares of Common Stock reserved for issuance under the Company's 1995 Stock Option and Compensation Plan, of which 342,500 have been granted; and (v) 50,000 shares of Common Stock issuable upon exercise of directors' stock options at an exercise price of the higher of 66.67% of the Price to Public or $3.50 per share.

RISK FACTORS

An investment in the Units offered hereby is highly speculative and involves a high degree of risk. Investors could lose their entire investment. Prospective investors should carefully consider the following factors, along with the other information set forth in this Prospectus, in evaluating the Company, its business and prospects before purchasing the Units.

LACK OF PROFITABILITY; LACK OF OPERATING HISTORY

The Company opened its first restaurant in June 1995. The Company had a net loss of $388,202 during the 26 weeks of operations ended June 30, 1996, and a net loss of $306,190 for the year ended December 31, 1995. The Company had a working capital deficit of $2,239,340 and an accumulated deficit of $694,392 at June 30, 1996. Prior to the opening of the Linden Hills Unit, the Company had no operations or revenues. Accordingly, the Company's operations are subject to all of the risks inherent in the establishment of a new business enterprise, including the lack of operating history. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any company. Although the Company is satisfied with the operations of the Existing Units thus far, there can be no assurance that future operations of such restaurants, or any future restaurants, will be profitable. Future revenues and profits, if any, will depend upon various factors, including the market acceptance of the Company's roadhouse and other concepts, the quality of restaurant operations, and general economic conditions. Frequently, restaurants, particularly theme-oriented restaurants, experience a decline of revenue growth or of actual revenues as the restaurant's "initial honeymoon"

period expires and consumers tire of the related theme. There is no assurance that the Company can operate profitably or that it will successfully implement its expansion plans, in which case the Company will continue to be dependent on the revenues of the Existing Units. Furthermore, to the extent that the Company's expansion strategy is successful, the Company must manage the transition to multiple site operations, higher volume operations, the control of overhead expenses and the addition of necessary personnel.

LIMITED MANAGEMENT EXPERIENCE/NEED FOR ADDITIONAL MANAGEMENT

The success of the Company will depend upon the Company's ability to attract and retain a highly qualified management team. David W. Anderson, the Company's Chairman and Chief Executive Officer, has limited restaurant and multi-location restaurant management experience. William L. Timm, the Company's President, has no previous restaurant experience. Mark A. Payne, the Company's Vice President, Finance and Chief Financial Officer, has significant financial and accounting experience but has no prior restaurant-related experience. The Company will also need to hire other corporate level and management employees to help implement and operate its expansion plans, including a chief operating officer with significant multi-unit restaurant experience. The failure to obtain, or delays in obtaining, key employees could have a material adverse effect on the Company. See "Management."

LIMITED BASE OF OPERATIONS

The Company currently operates only two restaurants and plans to open at least five additional restaurants in 1996 and 1997. The combination of the relatively small number of locations and the significant investment associated with each new unit may cause the operating results of the Company to fluctuate significantly and adversely affect the profitability of the Company. Due to this relatively small number of current and planned locations, poor operating results at any one unit or a delay in the planned opening of a unit could materially affect the profitability of the entire Company. Future growth in revenues and profits will depend to a substantial extent on the Company's ability to increase the number of its restaurants. Additionally, the Company's history does not provide any basis for prediction as to whether individual units will tend to show increases or decreases in comparable unit sales.

LIMITED FINANCIAL RESOURCES; ADEQUACY OF PROCEEDS AND NEED FOR ADDITIONAL FINANCING

The Company's ability to execute its business strategy depends to a significant degree on its ability to obtain substantial equity capital to finance the development of additional restaurants. The proceeds of this Offering will provide the Company with the financing required to develop and open five to ten additional restaurants and for working capital purposes. The total cost of developing the Linden Hills Unit was approximately $425,000, which included $282,000 for the design and construction, $131,000 for equipment, furniture and fixtures, and $12,000 for other costs. The total cost of developing the Roseville Unit was approximately $1,110,000, which included $734,000 for the design and construction, $310,000 for equipment, furniture and fixtures, and $66,000 for other costs. The Company estimates that the costs of developing three restaurants presently planned for the Minneapolis/St. Paul area will be approximately $4.0 million. Although the Company estimates that the proceeds from this Offering will be sufficient to develop and open at least five additional units, there can be no assurance that such facilities can be developed at such estimated costs. If the proceeds of this Offering are not sufficient to develop such units, the Company may be required to seek additional funds through an additional offering of the Company's equity securities. If additional funds are required, there can be no assurance that any additional funds will be available on terms acceptable to the Company or its shareholders. New investors may seek and obtain substantially better terms than were granted its present investors and the issuance of such securities would result in dilution to the existing shareholders. Furthermore, as the Company prepares to

open additional units, it will expend a relatively higher amount on administrative expenses than would a mature Company with such operations.

EXPANSION STRATEGY

The Company's ability to open and successfully operate additional units will also depend upon the hiring and training of skilled restaurant management personnel and the general ability to successfully manage growth, including monitoring restaurants and controlling costs, food quality and customer service. The Company's present senior management has little experience developing and operating multi-unit facilities. The Company anticipates that the opening of additional units will give rise to additional expenses associated with managing operations located in multiple markets. Furthermore, the Company believes that competition for unit-level management has become increasingly intense as additional restaurant chains expand to new markets. Achieving consumer awareness and market acceptance will require substantial efforts and expenditures by the Company. An extraordinary amount of management's time may be drawn to such matters and negatively impact operating results. There can be no assurance that the Company will be able to enter into any other contracts for development of additional units on terms satisfactory to the Company. Accordingly, there can be no assurance that the Company will be able to open new units or that, if opened, those units can be operated profitably. See "Business -- Expansion Strategy."

THE RESTAURANT INDUSTRY AND COMPETITION

The restaurant industry is highly competitive with respect to price, service, quality and location and, as a result, has a high failure rate. There are numerous well-established competitors, including national, regional and local restaurant chains, possessing substantially greater financial, marketing, personnel and other resources than the Company. Furthermore, to the extent that barbeque restaurants are frequently viewed as "local," the Company may experience intense competition or lack of consumer acceptance if it expands into areas with existing barbeque restaurants. There can be no assurance that the Company will be able to respond to various competitive factors affecting the restaurant industry. The restaurant industry is also generally affected by: changes in consumer preferences, national, regional and local economic conditions, and demographic trends. The performance of restaurant facilities may also be affected by factors such as traffic patterns, demographic considerations, and the type, number and location of competing facilities. In addition, factors such as inflation, increased labor and employee benefit costs, and a lack of availability of experienced management and hourly employees may also adversely affect the restaurant industry in general and the Company's restaurants in particular. Restaurant operating costs are further affected by increases in the minimum hourly wage, unemployment tax rates and similar matters over which the Company has no control. Finally, by the nature of its business, the Company would be subject to potential liability from serving contaminated or improperly prepared food.

CONCEPT EVOLUTION

The Company presently intends that most of its future restaurants will feature the roadhouse theme similar to the Linden Hills and Roseville Units. However, the Famous Dave's concept is evolving and a number of factors could change this theme as applied in different locations. These factors include demographic and regional differences, locations that have more or less traffic than the areas in which those units are located, type of available floor space, and the availability of specialty items such as antiques. Accordingly, future units could be larger or smaller than those units, could vary in the mix of retail/restaurant operations, and could have differences in the application of the Famous Dave's theme.

LONG-TERM, NON-CANCELABLE LEASES

The Company has entered into long-term leases or subleases with an entity

wholly-owned by David W. Anderson relating to its Existing Units and certain planned units. These leases are non-cancelable by the Company (except in limited circumstances) and range in term from seven to ten years. Additional facilities developed by the Company are likely to be subject to similar long-term, non-cancelable leases, although the Company currently expects, subject to available financial resources, that such leases will be entered into with unrelated parties. If an existing or future unit does not perform at a profitable level, and the decision is made to close the restaurant, the Company may nonetheless be committed to perform its obligations under the applicable lease or sublease, which would include, among other things, payment of the respective base rent for the balance of the respective lease term. If such a restaurant closing were to occur at one of these locations, the Company would lose a unit without necessarily receiving an adequate return on its investment. See "Business -- Property and Unit Locations" and "Certain Transactions."

TRANSACTIONS WITH MANAGEMENT; CONFLICTS OF INTEREST

There are several transactions between the Company and David W. Anderson, its Chairman and Chief Executive Officer, that present a conflict of interest. In addition, Mr. Anderson is a director of Rainforest Cafe, Inc., a theme restaurant with associated retail operations primarily located in high traffic shopping malls and theme parks throughout the country. Martin J. O'Dowd, a director of the Company, is also the President, Chief Operating Officer and a director of Rainforest Cafe, Inc. and a director of Elephant & Castle Group, Inc. These two companies may potentially compete against the Company and the directorships of Messrs. Anderson and O'Dowd could constitute a conflict of interest. See "Certain Transactions."

CONTROL OF THE COMPANY; DEPENDENCE ON KEY PERSONNEL

Following this offering, David W. Anderson will control approximately 37.3% of the Company's Common Stock. Therefore, Mr. Anderson will have the ability to direct its operations and financial affairs and to substantially influence the election of members of the Board of Directors of the Company. The Company is also presently highly dependent upon the personal efforts and abilities of its Chief Executive Officer, David W. Anderson. The loss of the services of Mr. Anderson could have a substantial adverse effect on the Company's ability to achieve its objectives. The Company currently has no key man insurance on Mr. Anderson.

GOVERNMENT REGULATION

The restaurant business is subject to various federal, state and local government regulations, including those relating to the sale of food and alcoholic beverages. The failure to maintain food and liquor licenses would have a material adverse effect on the Company's operating results. In addition, restaurant operating costs are affected by increases in the minimum hourly wage, unemployment tax rates, sales taxes and similar costs over which the Company has no control. Many of the Company's restaurant personnel will be paid at rates based on the federal minimum wage. Increases in the minimum wage will result in an increase in the Company's labor costs. The Company also may be subject in certain states to "dram shop" statutes which generally allow a person injured by an intoxicated person to recover damages from an establishment that served alcoholic beverages to such intoxicated person.

TRADEMARKS

The Company's ability to successfully implement its Famous Dave's concept will depend in part upon its ability to protect its trademarks. The Company has filed a trademark application with the United States Patent and Trademark Office to register the "Famous Dave's" mark and design. There can be no assurance that the Company will be granted trademark registration for any or all of the proposed uses in the Company's applications. In the event the Company's mark is granted registration, there can be no assurance that the Company can protect

such mark and design against prior users in areas where the Company conducts operations. There is no assurance that the Company will be able to prevent competitors from using the same or similar marks, concepts or appearance.

SUBSTANTIAL DILUTION

Purchasers of the securities offered hereby will experience immediate substantial dilution of $3.29 per Share in the net tangible book value per share of Common Stock. See "Dilution."

ABSENCE OF DIVIDENDS

At the present time, the Company intends to use any earnings which may be generated to finance further growth of the Company's business. Accordingly, investors should not purchase the shares with a view towards receipt of cash dividends from any Shares.

LACK OF PUBLIC MARKET; DETERMINATION OF OFFERING PRICE

Prior to this Offering, there has been no public market for the Company's securities. Although the Company has applied for listing of the Units on the Nasdaq SmallCap Market, there can be no assurance that an active public market will develop or be sustained. The offering price of the Units offered hereby has been arbitrarily determined by negotiation between the Company and the Underwriter and bears no relationship to the Company's current operating results, book value, net worth or financial statement criteria of value. The factors considered in determining the offering price included an evaluation by management of the history of and prospects for the industry in which the Company competes and the prospects for earnings of the Company. Such factors are largely subjective, and the Company makes no representation as to any objectively determinable value of the Units offered hereby. See "Underwriting."

In addition, if the Company fails to maintain its qualification for its Units to trade on the Nasdaq SmallCap Market, the Units will be subject to certain rules of the Securities and Exchange Commission relating to "penny stocks." Such rules require broker-dealers to make a suitability determination for purchasers and to receive the purchaser's prior written consent for a purchase transaction, thus restricting the ability of purchasers and broker-dealers to sell the stock in the open market.

CURRENT PROSPECTUS AND STATE REGISTRATION REQUIRED TO EXERCISE WARRANTS; POSSIBLE REDEMPTION OF WARRANTS

Purchasers of Units will be able to exercise the Class A Warrants only if a current prospectus relating to the shares of Common Stock underlying the Class A Warrants is then in effect and only if such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of Class A Warrants reside. Although the Company will use its best efforts to (i) maintain the effectiveness of a current prospectus covering the shares of Common Stock underlying the Class A Warrants and (ii) maintain the registration of such Common Stock under the securities laws of the states in which the Company initially qualifies the Units for sale in the Offering, there can be no assurance that the Company will be able to do so. The Company will be unable to issue shares of Common Stock to those persons desiring to exercise their Class A Warrants if a current prospectus covering the securities issuable upon the exercise of the Class Warrants is not kept effective or if such securities are not qualified nor exempt from qualification in the states in which the holders of the Warrants reside. The Class A Warrants are subject to redemption at any time by the Company at $.01 per Warrant 90 days after the Effective Date, on 30 days prior written notice, if the average closing bid price of the Common Stock shall exceed 120% of the Exercise Price (subject to adjustment), for 20 consecutive trading days, at any time prior to such notice. If the Class A Warrants are

redeemed, Warrant holders will lose their right to exercise the Warrants except during such 30-day redemption period. Redemption of the Class A Warrants could force the holders to exercise the Class A Warrants at a time when it may be disadvantageous for the holders to do so or to sell the Class A Warrants at the then market price or accept the redemption price, which is likely to be substantially less than the market value of the Class A Warrants at the time of redemption. See "Description of Securities -- Class A Warrants."

UNDESIGNATED STOCK

The Company's authorized capital consists of 100,000,000 shares of capital stock. The Board of Directors, without any action by the Company's stockholders, is authorized to designate and issue shares in such classes or series (including classes or series of preferred stock) as it deems appropriate and to establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights. The Company currently has 3,356,250 shares of Common Stock outstanding and has authorized the issuance of an additional 2,300,000 shares of Common Stock in contemplation of this Offering. A further 3,250,000 shares of Common Stock have been authorized for the following: (i) 2,000,000 shares issuable upon the exercise of the Class A Warrants being issued as part of this Offering (2,300,000 if the Underwriter's over-allotment option is exercised in full), (ii) 200,000 shares issuable upon the exercise of warrants to purchase one share of Common Stock being issued to the Underwriter, (iii) 700,000 shares for issuance under the Company's 1995 Stock Option and Compensation Plan, and (iv) 50,000 shares of Common Stock issuable upon exercise of Directors' Stock Options. No other class of common stock or preferred stock is currently designated and there is no current plan to designate or issue any such securities. The rights of holders of preferred stock and other classes of common stock that may be issued may be superior to the rights granted to the holders of the Shares. Further, the ability of the Board of Directors to designate and issue such undesignated shares could impede or deter an unsolicited tender offer or takeover proposal regarding the Company and the issuance of additional shares having preferential rights could adversely affect the voting power and other rights of holders of Common Stock. See "Management -- Stock Option and Compensation Plan" and "Description of Securities."

SHARES ELIGIBLE FOR FUTURE SALE

The sale, or availability for sale, of substantial amounts of Common Stock in the public market subsequent to this offering may adversely affect the prevailing market price of Common Stock and may impair the Company's ability to raise additional capital by the sale of its equity securities. David W. Anderson, Chairman and Chief Executive Officer of the Company, has agreed that he will not sell, grant any option for the sale of, or otherwise dispose of any equity securities of the Company (or any securities convertible into or exercisable or exchangeable for equity securities of the Company) for 365 days after the Effective Date without the prior written consent of the Underwriter. The Company's other executive officers and directors have agreed to be subject to the same restrictions for a period of 180 days. See "Description of Securities -- Shares Eligible for Future Sale."

MINNESOTA ANTI-TAKEOVER LAW

The Company is subject to Minnesota statutes regulating business combinations and restricting voting rights of certain persons acquiring shares of the Company, which may hinder or delay a change in control of the Company. See "Description of Securities."

USE OF PROCEEDS

The net proceeds to be received by the Company from this Offering, after deducting estimated costs and expenses of the Offering, are estimated to be approximately $10,580,000 ($12,200,000 if the Underwriter's over-allotment option is exercised in full). The Company intends to utilize the proceeds to develop and open five to ten new Units. The Company intends to apply the balance of the net proceeds, if any, for working capital purposes.

Pending the use of proceeds as described above, the net proceeds will be

invested in short-term interest-bearing securities.

DILUTION

At June 30, 1996, the Company's net tangible book value was $269,621 or approximately $0.13 per share of Common Stock. "Net tangible book value" represents the tangible assets of the Company less all liabilities. Without taking into account any further changes in net tangible book value after June 30, 1996, other than to give effect to (i) the sale of all of the Units offered hereby and (ii) the application of the net proceeds therefrom, the pro forma net tangible book value as of such date would have been $10,849,621 or approximately $2.71 per share, assuming the Units are sold. This represents an immediate increase to existing shareholders in net tangible book value of approximately $2.58 per share and an immediate dilution to new Shareholders of $3.29 per share. "Dilution" represents the difference between the amount per share paid by purchasers in this Offering and pro forma net tangible book value per share of the Common Stock after this Offering. The following table illustrates the dilution in net tangible book value per share to new investors as of June 30, 1996.

		AMOUNT
Public offering price		$6.00
Net tangible book value before offering	$0.13	
Increase in net tangible book value attributable to new investors	2.58	
Pro forma net tangible book value after offering		2.71
Dilution in net tangible book value to new investors(1)		$3.29

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(1) The dilution in net tangible book value per share to new investors, assuming the Underwriter's over-allotment option is fully exercised, would be $3.10.

The following tables summarize the differences between the existing shareholders and the new investors with respect to the number of shares of Common Stock purchased from the Company, the total cash consideration paid by each group, and the average cash consideration per share of Common Stock paid by each group (assuming the entire offering price of the Units is allocated to the Common Stock).

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing Shareholder	2,000,000	37.3%	$ 1,000,000	5.6%	$0.50
Private Placement Investors	1,356,250	25.4%	4,746,875	26.8%	3.50
New Investors	2,000,000	37.3%	12,000,000	67.6%	6.00
Total(1)	5,356,250	100.0%	$17,746,875	100.0%	

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(1) The foregoing table takes into account the July 1996 sale of 1,356,250 shares of Common Stock at $3.50 per share but does not take into consideration: (i) 300,000 Units subject to the Underwriter's over-allotment

option; (ii) 200,000 shares of Common Stock issuable upon exercise of the Underwriter's Warrant at 120% of the initial public offering price; (iii) 2,000,000 shares of Common Stock (2,300,000 shares if the Underwriter's over-allotment option is exercised in full) which are issuable upon the exercise of the Class A Warrants at an exercise price of $8.50 per warrant; (iv) 700,000 shares of Common Stock which are reserved for issuance under the Company's 1995 Stock Option and Compensation Plan, of which 342,500 have been granted; and (v) 50,000 shares of Common Stock issuable upon exercise of directors' stock options at an exercise price of the higher of 66.67% of the Price to Public or $3.50 per share.

DIVIDEND POLICY

The Company has never declared or paid any cash dividends on its Common Stock, and the Board of Directors presently intends to retain all earnings, if any, for use in the Company's business for the foreseeable future. Any future determination as to declaration and payment of dividends will be made at the discretion of the Board of Directors.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of June 30, 1996, as further adjusted to give effect to the sale of the Units offered hereby and the anticipated application by the Company of the proceeds therefrom. See the Consolidated Financial Statements.

	AT JUNE 30, 1996		
	ACTUAL	PROFORMA(1)	PROFORMA AS ADJUSTED(2)
Long-term debt(3)	$ 251,981	$ 251,981	$ 251,981
Stockholders' equity:			
Common Stock, $.01 par value, 100,000,000 shares authorized, 2,000,000 shares issued and outstanding; 3,356,250 shares proforma; 5,356,250 shares as adjusted	20,000	33,563	53,563
Additional paid-in capital	980,000	5,171,437	15,731,437
Accumulated deficit	(694,392)	(694,392)	(694,392)
Total stockholders' equity	305,608	4,510,608	15,090,608
Total capitalization	$ 557,589	$4,762,589	$ 15,342,589

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(1) Assumes completion on June 30, 1996 of the sale of 1,356,250 shares of Common Stock at $3.50 per share for net proceeds of approximately $4,200,000 which was completed in July 1996.

(2) As adjusted for the sale of the Units offered hereby and the anticipated application of the net proceeds therefrom. Does not include (i) 300,000 Units subject to the Underwriter's over-allotment option; (ii) 200,000 shares of Common Stock issuable upon exercise of the Underwriter's Warrant at 120% of the Price to Public; (iii) 2,000,000 shares of Common Stock which are issuable upon the exercise of the Class A Warrants at an exercise price of $8.50 per warrant; (iv) 700,000 shares of Common Stock reserved for issuance under the Company's 1995 Stock Option and Compensation Plan, of which 342,500 have been issued; and (v) 50,000 shares of Common Stock issuable upon exercise of directors' stock options at an exercise price of the higher of 66.67% of the Price to Public or $3.50 per share.

(3) Long-term debt does not include capital lease financing which was obtained in August 1996 for up to $1,100,000 for equipment, furniture, fixtures and

leasehold improvements. As of August 15, 1996, approximately $575,000 of the $1,100,000 in lease financing had been funded.

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

OVERVIEW

The Company was formed in March 1994 to develop, own and operate American roadhouse-style barbeque restaurants under the name "Famous Dave's Bar-B-Que Shack". The Company opened its first restaurant in the Linden Hills neighborhood of Minneapolis in June 1995. Prior to opening the Linden Hills Unit, the Company had no revenues and its activities were devoted solely to development.

The Company opened its second unit in June 1996 in Roseville, Minnesota, a suburb of Minneapolis/ St. Paul and is presently developing three additional units in the Minneapolis/St. Paul area.

Future revenues and profits, if any, will depend upon various factors, including market acceptance of the Famous Dave's concept, the quality of the restaurant operations, the ability to expand to multi-unit locations and general economic conditions. The Company's present sources of revenue are limited to its Linden Hills and Roseville Units. There can be no assurances the Company will successfully implement its expansion plans, in which case it will continue to be dependent on the revenues from the Linden Hills and Roseville Units. The Company also faces all of the risks, expenses and difficulties frequently encountered in connection with the expansion and development of a new and expanding business. Furthermore, to the extent that the Company's expansion strategy is successful, it must manage the transition to multiple site operations, higher volume operations, the control of overhead expenses and the addition of necessary personnel.

At January 1, 1996, the Company elected a fiscal year ending on the Sunday nearest December 31. Prior to January 1, 1996, the Company used a fiscal year ending on December 31.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1995 AND FOR THE TWENTY SIX WEEKS ENDED JUNE 30, 1996

The Company had no revenues or operations during the period from March 14, 1994 (the "Inception") to June 19, 1995 (the opening of the Linden Hills Unit). Accordingly, comparisons with periods prior to June 19, 1995 are not meaningful.

Total Revenues -- The Linden Hills Unit opened in June 1995. The Roseville Unit opened in June 1996. For the year ended December 31, 1995, the Company had total sales of $481,510 compared with $1,015,856 for the 26 weeks ended June 30, 1996. Sales increases are largely attributed to increased guest counts and the June 1996 opening of the Roseville Unit.

Costs and Expenses -- For the year ended December 31, 1995, the Company had a net loss of $306,190 compared with a net loss of $388,202 for the 26 weeks ended June 30, 1996. The net loss for each period is largely attributable to additional expenses incurred as the Company increases its Corporate overhead structure for the development of additional locations supported by revenues from primarily a single operating unit.

Results of the Linden Hills Unit -- The following table sets forth the unit level results from the Company's Linden Hills Unit:

PERIOD FROM COMMENCEMENT OF OPERATIONS

	(JUNE 19, 1995) TO DECEMBER 31, 1995		26 WEEKS ENDED JUNE 30, 1996	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Sales	$481,510	100.0%	$778,968	100.0%
Food and beverage costs	169,789	35.3	256,336	32.9
Gross profit	311,721	64.7	522,632	67.1
Operating expenses	302,217	62.8	305,006	39.2
Depreciation and amortization	17,009	3.5	16,760	2.2
Unit level income (loss)	$ (7,505)	(1.6)%	$200,866	25.7%

During the period from the commencement of Linden Hills operations (June 19, 1995) to December 31, 1995, food and beverage costs were $169,789 or 35.3% of sales compared with $256,336 or 32.9% of sales for the June 30, 1996 period. The improvement in food and beverage costs as a percentage of sales is due primarily to improved operating efficiencies.

Restaurant operating expenses were $302,217 or 62.8% of sales during the period from the commencement of Linden Hills operations (June 19, 1995) to December 31, 1995 compared to $305,006 or 39.2% of sales during the 26 weeks ended June 30, 1996. This improvement in restaurant operating expenses as a percentage of sales is due primarily to improved labor management and other operating efficiencies and increased sales.

Although no assurances can be given, management believes that the Linden Hills Unit's current level of sales, trained workforce and general operational improvements will improve unit level contribution in future periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company has met its capital requirements through revenues from operations, the sale of Common Stock to and borrowings from its sole shareholder, David W. Anderson, and the private placement of debt and common stock. During the period from March 14, 1994 (Inception) through December 31, 1995, the Company sold to Mr. Anderson 2,000,000 shares of Common Stock at $.50 per share. Pursuant to the subscription agreement relating to such purchase, payments were made totaling $425,270 during part-year 1994 and $574,730 during the year ended December 31, 1995. Additionally, the Company entered into a revolving promissory note with Mr. Anderson allowing for advances of up to $2,000,000. As of June 30, 1996, the Company had outstanding advances totaling $359,349 under this arrangement. This note was paid in full in August 1996.

In July 1996, the Company completed a private placement of 1,356,250 shares of Common Stock at $3.50 per share. The net proceeds to the Company were approximately $4.2 million. Such proceeds have been, and will be, used for additional unit development and working capital.

For the year ended December 31, 1995, the Company used $227,069 in cash flow for operating activities and during the 26 weeks ended June 30, 1996, the Company used $163,899 in cash flow for operating activities.

Since Inception, the Company's principal capital requirements have been the funding of (i) the development of the Company and the Famous Dave's concept, (ii) the construction of the Linden Hills and Roseville Units and the acquisition of the furniture, fixtures and equipment therein and (iii) towards the development of additional units as described below. Total capital expenditures for the Linden Hills and Roseville Units were approximately $425,000 and $1,110,000, respectively.

The Company is presently developing three additional restaurants in the Minneapolis/St. Paul area. The Company had incurred approximately $995,000 in

the development of these units as of June 30, 1996.

In addition to construction in progress, the Company has capitalized approximately $39,000 of direct costs relating to the Roseville Unit and units under construction. It is the Company's policy to amortize the direct costs of hiring and training the initial work force and other direct costs associated with opening a new Unit over a twelve-month period, beginning when the facility is opened, if the recoverability of such costs can be reasonably assured. Accordingly, initial costs related to the Linden Hills Unit were expensed as incurred due to the developmental nature of the Unit.

In August 1996, the Company secured access to $1,100,000 of capital lease financing. This lease financing will be used for equipment, furniture, fixtures and leasehold improvements. As of August 15, 1996, approximately $575,000 of the $1,100,000 in lease financing had been funded.

After the completion of these expansion plans, future development and expansion will be financed through cash flow from operations and other forms of financing such as the sale of additional equity and debt securities, capital leases and other credit facilities. There are no assurances that such financing will be available on terms acceptable or favorable to the Company.

BUSINESS

OVERVIEW

The primary business of the Company is to develop, own and operate American roadhouse-style barbeque restaurants under the name "Famous Dave's Bar-B-Que Shack." The Company presently owns and operates two roadhouse-themed barbeque restaurants, one in the Linden Hills neighborhood of Minneapolis and the other in Roseville, Minnesota (the "Existing Units"). The Company is developing three additional restaurants: in Calhoun Square in Minneapolis which will offer live blues music, in Minnetonka, Minnesota, and on West 7th Street near the Highland Park area of St. Paul, Minnesota. The Calhoun Blues Joint is expected to open in September 1996 and the Minnetonka Unit is expected to open in early 1997, and are presently planned to be larger than the Existing Units.

THE FAMOUS DAVE'S CONCEPT AND STRATEGY

Concept Development

The Company was founded by David W. Anderson in March 1994. As a cooking enthusiast, Mr. Anderson has spent more than 20 years analyzing seasonings, barbeque sauces, rib recipes, cooking techniques and equipment in the development of his barbeque. In addition, Mr. Anderson has traveled extensively throughout the United States, visiting hundreds of barbeque restaurants for the purposes of researching regional tastes, ambiance, decor, menu development, plate presentation, and restaurant design before launching his first restaurant in Hayward, Wisconsin in June 1994 (the "Hayward Facility"). The Hayward Facility, which is part of a larger resort complex, is not owned by the Company but by a company wholly-owned by David W. Anderson.

Famous Dave's concept was developed around favorable memories associated with backyard barbecues. In identifying a potential market niche, Mr. Anderson has studied the development of certain restaurants that have capitalized on the growing trend of home replacement meals taking the place of home cooked meals. The Company hopes to capitalize on this trend, both for dine-in and take-out meals. The Company believes that the comfortable, appealing decor of its restaurants and the universal appeal of down-home cooking and barbecue will be significant advantages in its attempts to penetrate this niche market.

Competitive Differentiation

On a national scale, the Company believes that it faces two major

competitors, Tony Roma's and Damon's. Both restaurant chains feature baked, as opposed to pit smoked, ribs on a white platter. The Company believes that the setting of such restaurants is more formal and has a masculine ambiance.

Famous Dave's specializes in real hickory pit smoked barbeque served in colorful picnic-style baskets in a themed roadhouse-style restaurant with a warm and inviting family atmosphere.

The Menu

The Company's primary focus is its food. The Company's mission is to deliver the best barbeque in America. Each restaurant features a limited assortment of menu items, such as hickory-smoked St. Louis-style spareribs, Texas beef brisket, herb-roasted chicken, barbeque sandwiches, and char-grilled burgers, as well as honey-buttered corn bread, potato salad, cole slaw and "Wilbur"(TM) beans. Homemade desserts, including Famous Dave's bread pudding, Kahlua(TM) brownies and strawberry shortcake, are a specialty. The Company's Famous Dave's BBQ Sauces, which are provided in four regional variations (Rich-N-Sassy(TM), Texas Pit(TM), Georgia Mustard(TM) and Hot Stuff(TM)), represent signature items of the Company. The Company's Rich-N-Sassy(TM) Famous Dave's BBQ Sauce was awarded first place in the mild tomato division of the 1995 Kansas City American Royal Barbeque Contest.

Lunch entrees range from $6 to $8 and dinner entrees from $10 to $12. The average guest check for the four-week period ending August 18, 1996 was approximately $10 per person. Food portions are generous to increase the perceived value. Management believes that the Company's food, together with each restaurant's

distinctive decor, have resulted in a high level of repeat business. Presently, approximately 35% of the Company's business is take-out at the Linden Hills Unit.

The Company intends to obtain a beer and wine license for most of its restaurants, with the intention that such beverages will be served along with meals. The Company does not intend to emphasize sales of beer and wine apart from meals in most of its restaurants, primarily because the Company feels that it reduces the number of table turns and therefore profitability. In addition to a beer and wine license, the Company will obtain a liquor license for the Calhoun Blues Joint.

Awards and Recognition

The Company's food and restaurants have won the following awards during the past year:

First place (mild tomato category)
American Royal Barbeque Contest
Kansas City, Missouri
October 1995

Best Bar-B-Que Joint
Mpls/St. Paul Magazine
January 1996

1996 Diner's Choice Award
Best New Restaurant
Mpls/St. Paul Magazine
April 1996

Best Ribs
Critic's Choice Award
Minnesota Monthly
May 1996

First Place Award,
Best Barbeque Beef Brisket
Rib Buddies Cookoff
St. Paul, Minnesota
May 1996

In addition, Governor Arne Carlson of Minnesota has proclaimed Wednesday, September 4, 1996, to be "Famous Dave's BBQ & Blues Day," to coincide with the Grand Opening of the Calhoun Blues Joint.

Food Preparation and Delivery

The Company believes that ease of food preparation and delivery will be one key to its success. While some restaurants require highly compensated and extensively trained chefs, the food served at each restaurant is prepared in a basic three-step process that requires minimal training time. Mr. Anderson has developed prepared seasonings, sauces, bread mixes and other ingredients, which allow each menu item to be served with minimal preparation. The Company views this efficient and effective process as critical for its national expansion.

Focus on Customer Satisfaction

The Company is committed to staffing each unit with an experienced management team and providing its customers with prompt, friendly and efficient service. The customer's experience is also enhanced by the attitude and attention of restaurant personnel. The Company recognizes that, in order to maintain a high level of repeat customers and to attract new business, it must provide superior customer service.

Famous Dave's maintains a mission statement that its goal is to strive for "delighted" guests rather than just "satisfied" guests. The Company believes that a customer establishes his or her opinion within the first seven seconds. To this end, the Company has focused its property development to maximize first impressions of sight, smell, sound, and feel. The Company accomplishes this through the wonderful smell of hickory-smoked barbeque, the lively sounds of juke joint blues music, the colorful and nostalgic decor, and the varied textures of rough cut pine, corrugated tin roofs, and antiques.

Distinctive Roadhouse Decor

Each Existing Unit is a "real" barbeque joint, reminiscent of the old country-style roadhouse barbeque "joints" that dotted rural America 50 years ago. The Company's nostalgic roadside shack theme is promoted

by the use of antiques and items of Americana from the '20s and '30s in a rustic environment. The weathered barn wood walls, cozy, antique-filled Southern country shack decor, overhead tin roofing and blues tunes in the air are intended to convey the feeling of a down-home backyard barbeque.

Each restaurant table is covered with a red and white checkered oilcloth and features salt, pepper and barbeque sauces stored in a six-pack beer container. A large roll of paper towels accompanies every meal.

The Blues Component

The roadhouse theme is further enhanced by the use of blues music which, together with the restaurant's decor, provides an entertaining dining environment. Each restaurant features taped blues music that contributes to the roadhouse theme. Mr. Anderson's attention to detail includes personal selection of all music that is played in the restaurants. In addition, the Company's Blues Joint will feature live blues music featuring the Famous Dave's Blues All-Stars (the "Blues Band"). The Company believes that the Blues Band, which will have music on CD's available for sale at each restaurant, will provide significant marketing exposure for the Company.

PROPERTY AND UNIT LOCATIONS

The following table sets forth certain information about the Company's Existing and planned restaurants:

LOCATION	APPROXIMATE SQUARE FOOTAGE	APPROXIMATE RESTAURANT SEATS	DATE OPENED OR PLANNED TO BE OPENED
Linden Hills.. Minneapolis, MN	2,900	60 + 40 patio seats	June 1995
Roseville, MN......................................	4,800	100	June 1996
Calhoun Square..................................... Minneapolis, MN	10,500	250	September 1996
Minnetonka, MN.....................................	7,300	100	Early 1997
Highland Park...................................... St. Paul, MN	5,500	100	Spring 1997

The following units are leased or subleased from S&D Land Holdings, Inc., ("S&D") a Minnesota corporation wholly-owned by David W. Anderson, the Company's Chairman and Chief Executive Officer, pursuant to the following terms:

1. Linden Hills. The Linden Hills site contains approximately 2,900 square feet of restaurant space, including the patio area. The site is subject to a lease from S&D effective January 1, 1996 for a 10-year term with base rent of $48,800 per year with annual increases based upon increases in the consumer price index ("CPI"). The Company also has the right to extend the term for two five-year periods. In addition to base rent, the Company is responsible for the payment of all operating costs and real estate taxes.

2. Roseville. S&D is the tenant under an Agreement of Lease and Agreement Concerning Sublease (collectively, "Lease"). S&D has subleased the Roseville site to the Company effective January 1, 1996 for $82,200 per year with annual increases based upon increases in the CPI. The initial term under the Sublease is seven years. The Company has the right to extend the term for an additional five-year period. Should the Company so elect to extend, the Company is obligated to pay percentage rent of 1% of gross sales as additional rent. The improvements located on the site may revert to the landlord at the termination of the Sublease. Assignment or subletting of any interest in the Sublease requires the prior written approval of the landlord. In addition to base rent and percentage rent, the Company is responsible for the payment of all operating costs and real estate taxes.

3. Minnetonka. The Minnetonka site is a former restaurant located on approximately 2.3 acres of land. The Minnetonka site has been leased effective January 15, 1996 from S&D for a 10-year term with base rent of

$124,129 per year with annual increases based upon increases in the CPI. The Company has the right to extend the term for two five-year periods. The Company has the right to develop and/or remodel the existing building with the prior written consent of S&D. In addition to base rent, the Company is responsible for the payment of all operating costs and real estate taxes.

4. Highland Park. The Highland Park site contains approximately 2.3 acres of vacant land and was leased from S&D effective January 1, 1996 for a 10-year term with base rent of $44,900 per year with annual increases based upon increases in the CPI. The Company also has the right to extend the term for two five-year periods. The lease allows the Company to develop the site as a restaurant at the Company's cost and with the prior written consent of S&D. In addition to base rent, the Company is responsible for the payment of all operating costs and real estate taxes.

The above-mentioned leases are non-cancelable by the Company. The Company or a subsidiary also has entered into leases or subleases for the following properties:

5. Calhoun Square -- Lake and Hennepin BBQ & Blues, Inc., a Minnesota corporation and a wholly-owned subsidiary of the Company ("LHBB") has entered into a lease for the Calhoun Square site with Calhoun Square Associates dated January 5, 1996. The lease runs for a term of 15 years and LHBB has the right to extend the term for two five-year periods. LHBB is obligated to pay base rent of $13,293 per month plus percentage rent of 5% of gross sales over $3,190,320. In addition to base rent and percentage rent, the Company is responsible for the payment of its pro-rata share of operating costs and real estate taxes.

6. Corporate Office -- The Company has assumed a lease effective as of August 31, 1996 for 7,800 square feet of office/warehouse space at 12700 Industrial Park Boulevard in Plymouth, Minnesota. Rent payments due under the lease are $3,951 per month, which exclude prorations for operating expenses and real estate taxes. The lease terminates on August 31, 1998.

The Hayward Facility, which is part of a larger resort complex, is not owned by the Company but by a company wholly-owned by David W. Anderson.

EXPANSION STRATEGY

The Company intends to identify sites to locate its restaurants based on a variety of factors including local market demographics, site viability, competition and projected economics of each unit. Initial plans are to continue to identify and finalize future site opportunities in the Minneapolis/St. Paul area via land purchases, building and land purchases, land leases and building and land leases. The Company believes the Minneapolis/St. Paul area can support up to approximately 10 units, and expects to open the Calhoun Blues Joint in September 1996 and at least two additional units in the Minneapolis/St. Paul area in 1997.

Simultaneously, the Company intends to predominantly target additional major metropolitan markets to broaden and enhance the recognition value of the concept. Specific cities for expansion will be identified and analyzed as to potential compatibility with the concept.

OPERATIONS, MANAGEMENT AND EMPLOYEES

The Company's ability to manage multi-location units will be central to its overall success. The Company believes that its management must include skilled personnel at all levels. The Company also intends to hire other corporate level and management employees to help implement and operate its expansion plans, including a chief operating officer with significant multi-unit restaurant experience. At the unit level, the Company places specific emphasis on the position of general manager ("General Manager") and seeks employees with significant experience and management expertise. The General Manager of each restaurant reports directly to the President. The Company strives to maintain quality and consistency in each of its units through the careful training and supervision of personnel and the establishment of, and adherence to, high standards relating to personnel performance, food and beverage preparation, and maintenance of facilities. The Company believes that it has been able to attract high quality, experienced restaurant and retail management and personnel with its competitive compensation and bonus programs. Staffing levels vary according to the time of day and size of the restaurant. In general, each unit has between 30 and 50 employees.

All managers must complete a training program, during which they are instructed in areas such as food quality and preparation, customer service, and employee relations. The Company has also prepared operations manuals relating to food and beverage quality and service standards. New staff members participate in approximately three weeks of training under the close supervision of Company management. Management strives to instill enthusiasm and dedication in its employees, regularly solicits employee suggestions concerning Company

operations, and endeavors to be responsive to employees' concerns. In addition, the Company has extensive and varied programs designed to recognize and reward employees for superior performance. As of August 11, 1996, the Company had approximately 114 employees, 49 of which were full-time. The Company believes that its relationship with its employees is good.

PURCHASING

The Company strives to obtain consistent quality items at competitive prices from reliable sources. Any discontinuance of such favorable pricing could negatively impact the Company's purchasing abilities. In order to maximize operating efficiencies and to provide the freshest ingredients for its food products while obtaining the lowest possible prices for the required quality, each unit's management team determines the daily quantities of food items needed and orders such quantities from major suppliers at prices often negotiated directly with the Company's corporate office. Food and supplies are shipped directly to the restaurants, although the Company may develop a centralized food preparation commissary. The Company purchases perishable food products locally.

MARKETING AND PROMOTION; THE RIBMOBILE

To date, the Company has relied primarily upon advertising, publicity and "word of mouth" advertising to attract customers to its restaurants. The Company also utilizes distinctive exterior signage and off-site billboards. In addition, the Company has attempted to create equity in its "Famous Dave's" name by offering items such as Famous Dave's Bar-B-Que sauces for retail sale at its restaurants and in approximately 50 grocery stores in the Twin Cities area. The Company also sells T-shirts, caps and sweatshirts bearing its logo in its restaurants.

The Company utilizes the Famous Dave's Ribmobile to participate in local rib festivals and barbeque contests. The Company currently participates in seven or eight "ribfests" a year. The Company has found that such festivals and concepts result in favorable publicity.

TRADEMARKS

The Company's ability to successfully implement its Famous Dave's concept will depend in part upon its ability to protect its trademarks. The Company has filed a trademark application with the United States Patent and Trademark Office to register the mark "Famous Dave's" and design. There can be no assurance that the Company will be granted trademark registration for any or all of the proposed uses in the Company's applications. In the event the Company's mark is granted registration, there can be no assurance that the Company can protect such mark and design against prior users in areas where the Company conducts operations. There is no assurance that the Company will be able to prevent competitors from using the same or similar marks, concepts or appearance.

LEGAL PROCEEDINGS

The Company is not a party to any material litigation and is not aware of any threatened litigation that would have a material adverse effect on its business.

COMPETITION

The restaurant business is highly competitive and affected by changes in taste and eating habits of the public, local and national economic conditions affecting spending habits, and population and traffic patterns. Furthermore, to the extent that barbeque restaurants are frequently viewed as "local," the Company may experience intense competition or lack of consumer acceptance if it expands into areas with existing barbeque

restaurants. The principal competitive factors in the restaurant industry are

believed to be the quality and price of the food. Location, name recognition, efficiency of service, advertising, and attractiveness of facilities are also important for restaurant facilities. Famous Dave's competes on a general basis with a large variety of national and regional restaurant operations, as well as locally-owned restaurants, diners, and other establishments that offer moderately priced food to the public.

REGULATION

Restaurants are subject to licensing and regulation by state and local health, sanitation, safety, fire, and other authorities and are also subject to state and local licensing and regulation of the sale of alcoholic beverages and food. Difficulties in obtaining or failure to obtain required licenses and approvals will result in delays in, or cancellation of, the opening of restaurants. The food and liquor licenses are also subject to suspension or non-renewal if the granting authority determines that the conduct of the holder does not meet the standards for initial grant or renewal.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to each of the directors and executive officers of the Company.

NAME	AGE	POSITION(S) HELD
David W. Anderson..................	42	Chairman of the Board and Chief Executive Officer
William L. Timm....................	36	President
Mark A. Payne......................	37	Vice President, Finance, Chief Financial Officer, Secretary and Treasurer
Martin J. O'Dowd...................	48	Director
Thomas J. Brosig...................	47	Director

David W. Anderson, founder of the Company, has been the Chairman of the Board since its formation. Mr. Anderson is also a founder and a director of Rainforest Cafe, Inc. In October 1990, Mr. Anderson co-founded Grand Casinos, Inc. and through March 1996 served as a director and Executive Vice President.

William L. Timm has been President of the Company since March 1996. Previously, for the past ten years, Mr. Timm has been self-employed in sales and marketing.

Mark A. Payne has been Vice President, Finance, Chief Financial Officer, Secretary and Treasurer since August 1996. Previously, and since August 1995 he was Senior Vice President, Business Development and Acquisitions of ValueVision International, Inc., a television home shopping network. Prior to that and since December 1990, he served as Vice President, Finance and Chief Financial Officer at ValueVision.

Martin J. O'Dowd has been a director of the Company since August 1996. Since May 1995, Mr. O'Dowd has served as President and Chief Operating Officer of Rainforest Cafe, Inc. In June 1995 he became a director and Secretary of Rainforest Cafe, Inc. From July 1987 to May 1995, Mr. O'Dowd was Corporate Director, Food and Beverage Services, for Holiday Inn Worldwide. From August 1985 to July 1987, Mr. O'Dowd was Vice President and General Operations Manager for the Hard Rock Cafe in New York. Mr. O'Dowd is also a director of Elephant & Castle Group, Inc.

Thomas J. Brosig has been a director of the Company since August 1996. Since August 1994, Mr. Brosig has served as Executive Vice President - Investor Relations and Special Projects of Grand Casinos, Inc. From its inception until May 1995, Mr. Brosig served as Secretary of Grand Casinos, Inc., and from May 1993 until August 1994, Mr. Brosig served as its President. Mr. Brosig also served as Grand Casinos, Inc.'s Chief Operating Officer from October 1991 until May 1993, and as its Chief Financial Officer from its inception until January

1992. Mr. Brosig is also a director of G-III Apparel Group Ltd. and Game Financial, Inc.

EXECUTIVE COMPENSATION

The following table sets forth all cash compensation paid by the Company for the period from March 14, 1994 (Inception) through December 31, 1995 to the Company's executive officer:

		ANNUAL COMPENSATION		LONG-TERM COMPENSATION
NAME OF INDIVIDUAL	POSITION	SALARY	OTHER ANNUAL COMPENSATION	AWARD OPTIONS GRANTED
David W. Anderson...........	Chairman of the Board and Chief Executive Officer	$0	$0	--

EMPLOYMENT AGREEMENTS

David W. Anderson has been retained pursuant to a two-year employment agreement dated as of March 4, 1996, subject to early termination for variety of reasons, including voluntary termination by Mr. Anderson. Mr. Anderson will receive a base salary of $100,000 per year during the first year of employment, and such subsequent amounts as may be determined by the Company's Board of Directors. Such agreement also provides that Mr. Anderson will receive six months' severance if terminated by the Company for a reason other than "cause," as defined therein. Mr. Anderson will also receive medical, dental and other customary benefits. The employment agreement provides that Mr. Anderson will not compete with the Company for two years if terminated for cause.

William L. Timm has been retained pursuant to a two-year employment agreement dated as of March 4, 1996, subject to early termination for a variety of reasons. Mr. Timm will receive a base salary of $100,000 during the first year of employment and such subsequent amounts as may be determined by the Company's Board of Directors. Such agreement also provides that Mr. Timm will receive six months' severance if terminated by the Company for a reason other than "cause," as defined therein. Mr. Timm will also receive medical, dental and other customary benefits. The employment agreement provides that Mr. Timm will not compete with the Company for two years if terminated for cause.

Mark A. Payne has been retained pursuant to a three-year employment agreement dated as of August 12, 1996, subject to early termination for a variety of reasons. Mr. Payne will receive a base salary of $125,000 during the first year of employment and such subsequent amounts as may be determined by the Company's Board of Directors. Mr. Payne will also receive $25,000 upon the closing of the Company's initial public offering. Such agreement also provides that Mr. Payne will receive six months severance if terminated by the Company for a reason other than "cause," as defined therein, within the first year of his employment and 12 months severance if terminated by the Company for a reason other than cause after the first year of employment. Mr. Payne will also receive medical, dental and other customary benefits. The employment agreement provides that Mr. Payne will not compete with the Company for two years if terminated for cause.

The Company intends to retain other management employees pursuant to employment and consulting agreements. The Company intends to offer stock options to such employees.

STOCK OPTION AND COMPENSATION PLAN

The Company has reserved for issuance 700,000 shares of Common Stock

pursuant to its 1995 Stock Option and Incentive Compensation Plan (the "Stock Option Plan"). As of the date of this Prospectus, the Company has granted an aggregate of 342,500 options.

The Plan is administered by a stock option committee (the "Stock Option Committee") which has the discretion to determine the number and purchase price of shares subject to stock options (which price may not be below 85% of the fair market value of the Common Stock on the date granted), the term of each option, and the time or times during its term when the option becomes exercisable.

BOARD OF DIRECTORS

Each of the Company's directors has been elected to serve until the next annual meeting of shareholders. The Company's executive officers are appointed annually by the Company's directors. Each of the Company's directors continues to serve until his or her successor has been designated and qualified. Directors currently receive no fees.

DIRECTOR STOCK OPTIONS

As of the Effective Date, the Company granted options to acquire an aggregate of 50,000 shares of Common Stock for an exercise price equal to the higher of 66.67% of the Price to Public or $3.50 per share to Messrs. O'Dowd and Brosig, the Company's two outside directors. These options vest on a pro-rata basis on the first, second and third anniversaries of the Effective Date and are exercisable for ten years from the date of grant.

CERTAIN TRANSACTIONS

The Company leases some of its restaurant sites from S&D Land Holdings, Inc., a Minnesota corporation wholly-owned by David W. Anderson, Chairman and Chief Executive Officer of the Company. See "Business -- Property and Unit Locations."

The Company has a $2,000,000 revolving note with David W. Anderson. The note bears interest at 8%, is unsecured and due on demand. The outstanding balance on the note was $359,349 at June 30, 1996. This note was paid in full in August 1996.

Pursuant to a license and trademark agreement between the Company and Grand Pines Resort, Inc., a Minnesota corporation wholly-owned by David W. Anderson ("Grand Pines"), the Company licenses its trademarks and recipes to Grand Pines in exchange for a 4% annual royalty fee on gross food sales. Also, pursuant to a management agreement between the Company and Grand Pines Resort, Inc., the Company has agreed to provide certain management services relative to the Hayward Facility in exchange for a fee of 3% of gross food sales.

Any future transactions and loans with officers, directors or 5% shareholders of the Company's Common Stock will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties. All future material affiliated transactions and loans, and any forgiveness of loans, must be approved by a majority of the independent outside members of the Company's Board of Directors who do not have an interest in the transactions.

PRINCIPAL SHAREHOLDERS

There are presently 100,000,000 shares of the Company's Common Stock authorized, of which 3,356,250 shares are issued and outstanding. The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of the date of this Prospectus, as adjusted to give effect to the issuance of the securities offered hereby, by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director of the Company, (iii) each executive officer of the Company, and (iv) all executive officers and directors

of the Company as a group. See "Description of Securities -- Conversion of Notes." Unless otherwise indicated, each of the following persons has sole voting and investment power with respect to the shares of Common Stock set forth opposite their

respective names. The address of directors and executive officers is 12700 Industrial Boulevard, Suite 60, Minneapolis, Minnesota 55441.

NAME	SHARES OF COMMON STOCK	PERCENT	
		PRIOR TO OFFERING	AFTER OFFERING(1)
David W. Anderson	2,000,000(2)	59.1%	37.3%
William L. Timm(3)	0	--	--
Mark A. Payne	25,000(4)	0.7	0.5
Martin J. O'Dowd	13,000	0.4	0.2
Thomas J. Brosig	20,000	0.6	0.4
OKABENA Partnership K(5)	282,750	8.4	5.3
All officers and directors as a group	2,058,000	60.9	38.2

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(1) Does not include any Shares that may be purchased in the offering by the listed persons.

(2) Owned in joint tenancy with his spouse, Kathryn Anderson. Includes 100,000 shares owned by Grand Pines Resorts, Inc., a corporation wholly-owned by Mr. Anderson. 600,000 of such Shares are subject to an option to purchase for $1.00 per share held by William L. Timm, the Company's President and Chief Financial Officer. Such options vest over a five-year period in equal increments beginning March 1, 1997. Giving effect to such options, Mr. Anderson's percentage ownership would be 41.7% prior to the offering and 26.1% after the offering.

(3) Does not include 600,000 shares beneficially owned by David W. Anderson subject to an option held by Mr. Timm to purchase for $1.00 per share. Such options vest over a five-year period in equal increments beginning March 1, 1997.

(4) Represents shares issuable upon exercise of stock options to be vested on the Effective Date that will be exercisable within 60 days.

(5) Does not include 10,000 shares owned by Gary S. Kohler, an affiliate. The address of both such persons is 5140 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402.

DESCRIPTION OF SECURITIES

UNITS

Each Unit offered hereby consists of one share of Common Stock and one redeemable Class A Warrant. Warrants are immediately exercisable and, commencing ten trading days after the Effective Date, separately transferable from the Common Stock. Each Class A Warrant entitles the holder to purchase at any time, until the earlier of redemption by the Company or four years following the Effective Date, one share of Common Stock at an exercise price of $8.50 per warrant, subject to adjustment.

CAPITAL STOCK

The Company's authorized capital stock consists of 100,000,000 undesignated shares, $.01 par value per share in the case of Common Stock, and a par value as determined by the Board of Directors in the case of Preferred Stock. After the closing of this Offering, there will be issued and outstanding 5,656,250 shares of Common Stock (if the Underwriter's over-allotment option is exercised in full).

COMMON STOCK

There are no preemptive, subscription, conversion or redemption rights pertaining to the Common Stock. The absence of preemptive rights could result in a dilution of the interest of existing shareholders should additional shares of Common Stock be issued. Holders of the Common Stock are entitled to receive such dividends as may be declared by the Board of Directors out of assets legally available therefor, and to share ratably in the assets of the Company available upon liquidation.

Each share of Common Stock is entitled to one vote for all purposes and cumulative voting is not permitted in the election of directors. Accordingly, the holders of more than 50% of all of the outstanding shares of Common Stock can elect all of the directors. Significant corporate transactions such as amendments to the articles of incorporation, mergers, sales of assets and dissolution or liquidation require approval by the affirmative vote of the majority of the outstanding shares of Common Stock. Other matters to be voted upon by the holders of Common Stock normally require the affirmative vote of a majority of the shares present at the particular shareholders' meeting. The Company's directors and officers as a group beneficially own approximately 60.9% of the outstanding Common Stock of the Company. Upon completion of this Offering, such persons will beneficially own approximately 38.2% of the outstanding shares (36.2% if the Underwriter's over-allotment option is exercised in full). See "Principal Shareholders." Accordingly, such persons will continue to be able to substantially control the Company's affairs, including, without limitation, the sale of equity or debt securities of the Company, the appointment of officers, the determination of officers' compensation and the determination whether to cause a registration statement to be filed. There are 119 holders of record of the Company's Common Stock as of the date of this Prospectus.

The rights of holders of the shares of Common Stock may become subject in the future to prior and superior rights and preferences in the event the Board of Directors establishes one or more additional classes of Common Stock, or one or more additional series of Preferred Stock. The Board of Directors has no present plan to establish any such additional class or series.

CLASS A WARRANTS

The Class A Warrants included as part of the Units being offered hereby will be issued under and governed by the provisions of a Warrant Agreement (the "Warrant Agreement") between the Company and Norwest Bank Minnesota, N.A., as Warrant Agent (the "Warrant Agent"). The following summary of the Warrant Agreement is not complete, and is qualified in its entirety by reference to the Warrant Agreement, a copy of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

Commencing ten days after the Effective Date, the shares of Common Stock and the Class A Warrants offered as part of the Units will be detachable and separately transferable. One Class A Warrant entitles the holder ("Warrantholder") thereof to purchase one share of Common Stock during the four years following

the Effective Date, subject to earlier redemption, provided that at such time a current prospectus relating to the shares of Common Stock issuable upon exercise of the Class A Warrants is in effect and the issuance of such shares is

qualified for sale or exempt from qualification under applicable state securities laws. Each Class A Warrant will be exercisable at an exercise price of $8.50 per warrant, subject to adjustment in certain events.

The Class A Warrants are subject to redemption by the Company beginning 90 days after the Effective Date, on not less than 30 days written notice, at a price of $.01 per warrant at any time following a period of 20 consecutive trading days where the per share average closing bid price of the Common Stock exceeds 120% of the Exercise Price (subject to adjustment). For these purposes, the closing bid price of the Common Stock shall be determined by the closing bid price as reported by Nasdaq so long as the Common Stock is quoted on Nasdaq and, if the Common Stock is listed on a national securities exchange, shall be determined by the last reported sale price on the primary exchange on which the Common Stock is traded. Holders of Class A Warrants will automatically forfeit all rights thereunder except the right to receive the $.01 redemption price per warrant unless the Class A Warrants are exercised before they are redeemed.

The Warrantholders are not entitled to vote, receive dividends, or exercise any of the rights of holders of shares of Common Stock for any purpose. The Class A Warrants are in registered form and may be presented for transfer, exchange or exercise at the office of the Warrant Agent. Although the Company has applied for listing of the Class A Warrants on the Nasdaq SmallCap Market, there is currently no established market for the Class A Warrants, and there is no assurance that any such market will develop.

The Warrant Agreement provides for adjustment of the exercise price and the number of shares of Common Stock purchasable upon exercise of the Class A Warrants to protect Warrantholders against dilution in certain events, including stock dividends, stock splits, reclassification, and any combination of Common Stock, or the merger, consolidation, or disposition of substantially all the assets of the Company.

The Class A Warrants may be exercised upon surrender of the certificate therefor on or prior to the expiration date (or earlier redemption date) at the offices of the Warrant Agent, with the form of "Election to Purchase" on the reverse side of the certificate properly completed and executed as indicated, accompanied by payment of the full exercise price (by certified or cashier's check payable to the order of the Company) for the number of Class A Warrants being exercised.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this Offering, there will be 5,356,250 shares of Common Stock issued and outstanding (5,656,250 if the Underwriter's over-allotment option is exercised in full). The shares purchased in this Offering will be freely tradeable without registration or other restriction under the Securities Act of 1933, as amended (the "Act"), except for any shares purchased by an "affiliate" of the Company (as defined in the Act).

All the currently outstanding shares were issued in reliance upon the "private placement" exemptions provided by the Act and are deemed restricted securities within the meaning of Rule 144 ("Restricted Shares"). Restricted Shares may not be sold unless they are registered under the Act or are sold pursuant to an applicable exemption from registration, including an exemption under Rule 144. It is expected that 1,356,250 Restricted Shares will become eligible for sale approximately one year after the Effective Date, assuming all of the other requirements of Rule 144 have been satisfied.

In general, under Rule 144 as currently in effect, any person (or persons whose shares are aggregated) including persons deemed to be affiliates, whose restricted securities have been fully paid for and held for at least two years from the later of the date of issuance by the Company or acquisition from an affiliate, may sell such securities in broker's transactions or directly to market makers, provided that the number of shares sold in any three month period may not exceed the greater of 1% of the then-outstanding shares of Common Stock or the average weekly trading volume of the shares of Common Stock in the over-the-counter market during the four calendar weeks preceding the sale. Sales under Rule 144 are also subject to certain notice requirements and the

availability of current public information about the Company. After three years have

elapsed from the later of the issuance of restricted securities by the Company or their acquisition from an affiliate, such securities may be sold without limitation by persons who are not affiliates under the rule.

In general, under Rule 701 as currently in effect, any employee, consultant or advisor of the Company who purchases shares from the Company by exercising a stock option outstanding on the date of the Offering is eligible to resell such shares 90 days after the date of the Prospectus in reliance on Rule 144, but need not comply with certain restrictions contained in Rule 144, including the holding period requirement. As soon as practicable after the Offering, the Company intends to register 700,000 shares of Common Stock that are reserved for issuance under the Stock Option Plan. See "Management." After the effective date of such registration statement, shares issued upon exercise of outstanding options would generally be eligible for immediate resale in the public market, subject to vesting under the applicable option agreements.

Following this Offering, the Company cannot predict the effect, if any, that sales of the Common Stock or the availability of such Common Stock for sale will have on the market price prevailing from time to time. Nevertheless, sales by existing shareholders of substantial amounts of Common Stock could adversely affect prevailing market prices for the Common Stock if and when a public market exists. The Company and its directors, executive officers and 5% shareholders have agreed that they will not sell, grant any option for the sale of, or otherwise dispose of any shares of Common Stock for 365 days after the Effective Date without the prior written consent of the Underwriter.

MINNESOTA ANTI-TAKEOVER LAW

The Company is governed by the provisions of Sections 302A.671 and 302A.673 of the Minnesota Business Corporation Act. In general, Section 302A.671 provides that the shares of a corporation acquired in a "control share acquisition" have no voting rights unless voting rights are approved in a prescribed manner. A "control share acquisition" is an acquisition, directly or indirectly, of beneficial ownership of shares that would, when added to all other shares beneficially owned by the acquiring person, entitle the acquiring person to have voting power of 20% or more in the election of directors. In general, Section 302A.673 prohibits a publicly-held Minnesota corporation from engaging in a "business combination" with an "interested shareholder" for a period of four years after the date of the transaction in which the person became an interested shareholder, unless the business combination is approved in a prescribed manner. "Business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who is the beneficial owner, directly or indirectly, of 10% or more of the corporation's voting stock or who is an affiliate or associate of the corporation and at any time within four years prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the corporation's voting stock.

TRANSFER AGENT AND REGISTRAR

Norwest Bank Minnesota, N.A., is the transfer agent and registrar for the Common Stock, the Class A Warrants and the Units.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement between the Company and R.J. Steichen and Company (the "Underwriter"), the Underwriter

has agreed to purchase from the Company, and the Company has agreed to sell to the Underwriter, 2,000,000 Units.

The Underwriting Agreement provides that the obligations of the Underwriter are subject to approval of certain legal matters by counsel and to various other conditions. The nature of the Underwriter's obligations are such that they are committed to purchase and pay for all of the Units if any are purchased.

The Underwriter proposes to offer the Units directly to the public at the public offering price set forth on the cover page of this Prospectus, and at such price less a concession not in excess of $ per Unit to certain other dealers who are members of the National Association of Securities Dealers, Inc. After the public offering, the initial offering price and other selling terms may be changed by the Underwriter. The Underwriter has advised the Company that it does not intend to confirm sales of Units to any accounts over which it exercises discretionary authority.

The Company has granted the Underwriter a 45-day over-allotment option to purchase up to an aggregate of 300,000 additional Units exercisable at the public offering price less the underwriting discount. The Underwriter may exercise such option only to cover over-allotments made in connection with the sale of the Units offered hereby.

David W. Anderson, Chairman and Chief Executive Officer of the Company, has agreed that he will not sell, grant any option for the sale of, or otherwise dispose of any equity securities of the Company (or any securities convertible into or exercisable or exchangeable for equity securities of the Company), for a period of 365 days after the date hereof without the prior written consent of the Underwriter. The Company's other executive officers and directors have agreed to be subject to the same restrictions for a period of 180 days.

Each of the Company and the Underwriter has agreed to indemnify the other (including officers, directors and control persons of each other) against certain liabilities, losses and expenses, including liabilities under the Act, or to contribute to payments that the Underwriter may be required to make in respect thereof. Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

The Company has agreed to sell to the Underwriter, for $50.00, five year warrants to purchase up to 200,000 shares of Common Stock (the "Underwriter's Warrant") at 120% of the Price to Public. The Underwriter's Warrant may be exercised commencing one year after the Effective Date. The exercise price and the number of shares may, under certain circumstances, be subject to adjustment pursuant to anti-dilution provisions.

The Company has agreed to pay the Underwriter a nonaccountable expense allowance equal to 2.0% of the aggregate offering price of the shares or $240,000 ($276,000 if the Underwriter's over-allotment option is exercised in full).

In July 1996, the Company sold an aggregate of 1,356,250 shares of Common Stock in a private placement in which the Underwriter acted as selling agent. The Underwriter received agent's commissions of approximately $427,000. The Underwriter was given a one-year right of first refusal with respect to the Company's initial public offering.

At the request of the Company, up to 15% of the Units offered hereby (the "Designated Units") may be reserved for sale to persons designated by the Company. The price of the Designated Units will be the Price to Public set forth on the cover of this Prospectus.

Prior to the Offering, there exists no public market for the securities of the Company. The initial public offering price of the Units and the exercise price of the Warrants have been arbitrarily determined by

negotiation between the Company and the Underwriter and bear no relationship to the Company's current operating results, book value, net worth, financial statement criteria of value, the history of and prospects for the industry in which the Company principally competes or the capability of the Company's management. There can be no assurance, however, that the price at which the Common Stock, the Class A Warrants or the Units will sell in the public market after this Offering will not be lower than the price at which it is sold by the Underwriter.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for the Company by Maslon Edelman Borman & Brand, a Professional Limited Liability Partnership, Minneapolis, Minnesota. Certain legal matters relating to the sale of the shares of Common Stock will be passed upon for the Underwriter by Doherty, Rumble & Butler, P.A., Minneapolis, Minnesota.

EXPERTS

The financial statements for the periods ended December 31, 1994 and 1995 included herein have been audited by Lund Koehler Cox & Company, PLLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

ADDITIONAL INFORMATION

The Company is not a reporting company under the Securities Exchange Act of 1934, as amended. The Company has filed with the Washington, D.C. Office of the Securities and Exchange Commission (the "Commission") a Registration Statement on Form SB-2 under the Act with respect to the Common Stock offered hereby. This Prospectus filed as a part of the Registration Statement does not contain all of the information contained in the Registration Statement and the exhibits thereto, certain portions of which have been omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the securities offered hereby, reference is made to such Registration Statement including the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any contract, agreement or other documents are not necessarily complete, and in each instance, reference is made to such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. The Registration Statement and exhibits may be inspected without charge and copied at the Washington office of the Commission, 450 Fifth Street, N.W., Washington, DC 20549, and copies of such material may be obtained at prescribed rates from the Commission's Public Reference Section at the same address.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Famous Dave's of America, Inc.:

We have audited the accompanying consolidated balance sheet of Famous Dave's of America, Inc. and Subsidiary as of December 31, 1995 and the related consolidated statements of operations, stockholder's equity and cash flows for the period from March 14, 1994 (inception) to December 31, 1994 and the year ended December 31, 1995. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Famous Dave's of America, Inc. and Subsidiary as of December 31, 1995 and the results of their operations and their cash flows for the period from March 14, 1994 (inception) to December 31, 1994 and the year ended December 31, 1995 in conformity with generally accepted accounting principles.

LUND KOEHLER COX & COMPANY, PLLP

Minneapolis, Minnesota
August 2, 1996

FAMOUS DAVE'S OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 1995	JUNE 30, 1996 (UNAUDITED)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 100,297	$ 252,137
Inventories	10,921	53,049
Prepaids and other current assets	69,176	409,409
Total current assets	180,394	714,595
PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	1,203,265	1,682,654
OTHER ASSETS:		
Construction in progress	73,487	995,964
Prepaid equity issuance costs	0	82,324
Pre-opening expenses, net of accumulated amortization of $3,081	0	35,987

Total other assets	73,487	1,114,275
	$1,457,146	$ 3,511,524
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Note payable -- bank	$ 0	$ 1,000,000
Mortgage note payable -- bank	347,823	0
Note payable -- stockholder	276,046	359,349
Current portion of capital lease obligation	0	50,224
Accounts payable	109,974	1,312,154
Accrued rent -- S&D Land Holdings, Inc. (related party)	0	82,729
Accrued interest -- stockholder	0	22,492
Accrued payroll -- stockholder	0	32,527
Accrued payroll and related withholdings	13,412	42,474
Other current liabilities	16,081	51,986
Total current liabilities	763,336	2,953,935
CAPITAL LEASE OBLIGATION, NET OF CURRENT PORTION	0	251,981
Total liabilities	763,336	3,205,916
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S EQUITY:		
Common stock, $.01 par value, 100,000,000 shares authorized, 2,000,000 shares issued and outstanding	20,000	20,000
Additional paid-in capital	980,000	980,000
Accumulated deficit	(306,190)	(694,392)
Total stockholder's equity	693,810	305,608
	$1,457,146	$ 3,511,524

See accompanying notes to consolidated financial statements.

FAMOUS DAVE'S OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

	MARCH 14, 1994 (INCEPTION) TO DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	TWENTY-SIX WEEKS ENDED JUNE 30, 1995 (UNAUDITED)	JUNE 30, 1996 (UNAUDITED)
SALES:				
Restaurant	$ 0	$ 481,510	$ 23,601	$1,001,055
Retail	0	0	0	14,801
Total sales	0	481,510	23,601	1,015,856
COSTS AND EXPENSES:				
Food and beverage costs -- restaurant	0	169,789	13,278	326,451
Cost of sales -- retail	0	0	0	10,149
Restaurant operating expenses	0	302,217	45,991	391,232
Depreciation and amortization	0	17,009	2,000	36,289
General, administrative and development	0	332,331	57,040	634,460
Total costs and expenses	0	821,346	118,309	1,398,581
Loss from operations	0	(339,836)	(94,708)	(382,725)
OTHER INCOME (EXPENSE):				
Royalty income -- related party	0	33,646	0	17,015
Interest expense	0	0	0	(22,492)
Total other income (expense)	0	33,646	0	(5,477)
NET LOSS	$ 0	$ (306,190)	$ (94,708)	$ (388,202)
PROFORMA DATA -- UNAUDITED (SEE NOTE 9)				
Historical net loss	$ 0	$ (306,190)	$ (94,708)	$ (388,202)
Proforma provision for income taxes	0	0	0	0

Proforma net loss	$ 0	$ (306,190)	$ (94,708)	$ (388,202)
Proforma net loss per common share	$ 0.00	$ (0.14)	$ (0.04)	$ (0.18)
Shares used in per share calculations	2,135,417	2,135,417	2,135,417	2,135,417

See accompanying notes to consolidated financial statements.

FAMOUS DAVE'S OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

	COMMON STOCK		ADDITIONAL PAID-IN	STOCK SUBSCRIPTION	ACCUMULATED	
	SHARES	AMOUNT	CAPITAL	RECEIVABLE	DEFICIT	TOTAL
BALANCE -- MARCH 14, 1994 (INCEPTION)	0	$ 0	$ 0	$ 0	$ 0	$ 0
Issuance of common stock for $.50 per share	2,000,000	20,000	980,000	(1,000,000)	--	0
Payments received on stock subscription	--	--	--	425,270	--	425,270
Net loss	--	--	--	--	0	0
BALANCE -- DECEMBER 31, 1994	2,000,000	20,000	980,000	(574,730)	0	425,270
Payments received on stock subscription	--	--	--	574,730	--	574,730
Net loss	--	--	--	--	(306,190)	(306,190)
BALANCE -- DECEMBER 31, 1995	2,000,000	20,000	980,000	0	(306,190)	693,810
Net loss (unaudited)	--	--	--	--	(388,202)	(388,202)
BALANCE -- JUNE 30, 1996 (UNAUDITED)	2,000,000	$20,000	$ 980,000	$ 0	$(694,392)	$ 305,608

See accompanying notes to consolidated financial statements.

FAMOUS DAVE'S OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	MARCH 14, 1994 (INCEPTION) TO DECEMBER 31, 1994	YEAR ENDED DECEMBER 31, 1995	TWENTY-SIX WEEKS ENDED JUNE 30, 1995	
			JUNE 30, 1995 (UNAUDITED)	JUNE 30, 1996 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ 0	$ (306,190)	$ (94,708)	$ (388,202)
Adjustments to reconcile net loss to cash flows from operating activities:				
Depreciation and amortization	0	17,009	2,000	36,289
Changes in working capital items --				
Inventories	0	(10,921)	(3,500)	(42,128)
Prepaids and other current assets	(2,742)	(66,434)	(11,889)	(340,233)
Accounts payable	0	109,974	134,652	367,660
Accrued rent -- S&D Land Holdings, Inc.	0	0	0	82,729
Accrued interest -- stockholder	0	0	0	22,492

Accrued payroll -- stockholder	0	0	0	32,527
Accrued payroll and related withholdings	0	13,412	7,912	29,062
Other current liabilities	0	16,081	938	35,905
Cash flows from operating activities	(2,742)	(227,069)	35,405	(163,899)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, equipment and leasehold improvements	(411,905)	(808,369)	(369,804)	(991,415)
Payment of construction in progress	0	(73,487)	0	(87,957)
Payment of pre-opening expenses	0	0	0	(39,068)
Cash flows from investing activities	(411,905)	(881,856)	(369,804)	(1,118,440)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from note payable -- bank	0	0	0	1,000,000
Proceeds from mortgage note payable -- bank	0	375,000	0	0
Payments on mortgage note payable -- bank	0	(27,177)	0	0
Advances on note payable -- stockholder, net	0	276,046	0	516,503
Payments received on stock subscription	425,270	574,730	429,879	0
Prepaid equity issuance costs paid	0	0	0	(82,324)
Cash flows from financing activities	425,270	1,198,599	429,879	1,434,179
INCREASE IN CASH AND CASH EQUIVALENTS	10,623	89,674	95,480	151,840
CASH AND CASH EQUIVALENTS, BEGINNING	0	10,623	10,623	100,297
CASH AND CASH EQUIVALENTS, ENDING	$ 10,623	$ 100,297	$ 106,103	$ 252,137

See accompanying notes to consolidated financial statements.

FAMOUS DAVE'S OF AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1994 AND 1995
(INCLUDING DATA APPLICABLE TO UNAUDITED PERIODS)

(1) NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS -- Famous Dave's of America, Inc. (formerly known as Famous Dave's of Minneapolis, Inc.) (the Company) was incorporated in the State of Minnesota on March 14, 1994. The Company develops, owns and operates American roadhouse style barbeque restaurants (the Units) under the name "Famous Dave's Bar-B-Que Shack". The Company opened its first Unit in the Linden Hills area of Minneapolis (the Linden Hills Unit) in June 1995. Prior to opening the Linden Hills Unit, the Company had no revenues and its activities were devoted solely to development.

The Company opened its second Unit in June 1996 in Roseville, Minnesota, a Minneapolis/St. Paul suburb and is presently developing three additional Units in the Minneapolis/St. Paul area.

PRINCIPLES OF CONSOLIDATION -- The consolidated financial statements include the accounts of Famous Dave's of America, Inc. and its wholly owned subsidiary Lake & Hennepin BBQ and Blues, Inc. Lake & Hennepin BBQ and Blues, Inc. had no operating activity through June 30, 1996. All significant intercompany transactions have been eliminated in consolidation.

FISCAL YEAR -- Beginning January 1, 1996, the Company adopted a 52/53 week accounting period ending on the Sunday nearest December 31 of each year. Prior periods using a calendar year end have not been restated for comparative purposes as the differences are immaterial.

CASH AND CASH EQUIVALENTS -- The Company includes as cash equivalents certificates of deposit and all other investments with original maturities of three months or less which are readily convertible into known amounts of cash.

INVENTORIES -- Inventories are recorded at the lower of cost (first-in, first-out) or market value.

DEPRECIATION -- Property, equipment and leasehold improvements are recorded at cost. Improvements are capitalized while repair and maintenance costs are charged to operations when incurred. Furniture, fixtures and equipment are depreciated using the straight-line method over their estimated useful lives of five to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term including option periods.

PREPAID EQUITY ISSUANCE COSTS -- Direct costs of obtaining equity capital by issuing stock are deducted from the related proceeds, and the net amount is recorded as contributed stockholders' equity. Costs paid or incurred prior to the completion of an equity sale are recorded as a prepaid asset until the completion of the equity offering.

PRE-OPENING EXPENSES -- It is the Company's policy to capitalize the direct and incremental costs associated with opening a new Unit which consist primarily of hiring and training the initial workforce and other direct costs. These costs are amortized over the first twelve months of the Unit's operations if the recoverability of such costs can be reasonably assured. Expenses incurred prior to opening the Company's first Unit were charged to operations when incurred due to the developmental nature of the Unit.

MUSIC PRODUCTION COSTS -- In accordance with Financial Accounting Standards Board Statement No. 50 "Financial Reporting in the Record and Music Industry", the Company has expensed all amounts related to music production costs in the period incurred.

RIB PROMOTIONAL ACTIVITY -- The Company incurs expenses for participation in rib festivals and other events and records these expenses in the period incurred net of any related revenues generated by the activity.

INCOME TAXES -- Through March 3, 1996 the Company, with the consent of its sole stockholder, had elected under the Internal Revenue Code to be an S Corporation. In lieu of corporation income taxes, a

stockholder of an S Corporation is taxed on his proportionate share of the company's taxable income. See Note 9.

RECENTLY ISSUED ACCOUNTING STANDARD -- During fiscal year 1996 the Company adopted Financial Accounting Standards Board Statement No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (Statement 121). Statement 121 establishes accounting standards for the recognition and measurement of impairment of long-lived assets, certain identifiable intangibles, and goodwill either to be held or disposed of. The adoption of Statement 121 did not have a material impact on the Company's financial position or results of operations.

MANAGEMENT'S USE OF ESTIMATES -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 during the reporting period. Actual results could differ from those estimates.

NET LOSS PER COMMON SHARE -- Net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding and dilutive common equivalent shares assumed to be outstanding during each period. Common equivalent shares consist of dilutive options to purchase common stock. However, pursuant to certain rules of the Securities and Exchange Commission, the calculation also includes equity securities, including options and warrants, issued within one year of an initial public offering with an issue price less than the initial public offering price, even if the effect is anti-dilutive. The treasury stock method was used in determining the dilutive effect of such issuances.

(2) INVENTORIES

Inventories consisted of the following at:

	DECEMBER 31, 1995	JUNE 30, 1996
Food and beverage	$ 4,950	$ 19,279
Retail goods	5,971	33,770
	$10,921	$ 53,049

(3) PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements consisted of the following at:

	DECEMBER 31, 1995	JUNE 30, 1996
Land, buildings and improvements	$ 1,066,447	$1,008,095
Furniture, fixtures and equipment	153,827	584,751
Portable kitchen equipment	0	136,141
Less: accumulated depreciation	(17,009)	(46,333)
	$ 1,203,265	$1,682,654

(4) CONSTRUCTION IN PROGRESS

Construction in progress consists of direct and indirect costs related to the Company's uncompleted development of three additional Units in the Minneapolis/St. Paul area. Total costs incurred were $73,487 and $995,964 (including capitalized interest of $9,067 and $9,067) as of December 31, 1995 and June 30, 1996.

(5) NOTES PAYABLE

NOTE PAYABLE -- BANK -- The Company has a $1,000,000 revolving note due June 26, 1997, accruing interest at the prime rate (effective rate of 8.25%), and secured by all the assets of the Company and the personal guaranty of the

sole stockholder. The balance outstanding at June 30, 1996 was $1,000,000.

MORTGAGE NOTE PAYABLE -- BANK -- The Company had a mortgage note maturing September 1996, accruing interest at 1% over the prime rate (effective rate of 9.75%), secured by a real estate mortgage on the site of its proposed St. Paul, Minnesota Unit. The balance outstanding at December 31, 1995 was $347,823. This note was assumed by S&D Land Holdings, Inc. on January 1, 1996. See Note 7.

NOTE PAYABLE -- STOCKHOLDER -- The Company has a $2,000,000 revolving note with its sole stockholder. The note bears interest at 8%, is unsecured and is due on demand. Outstanding balances on the note were $276,046 and $359,349 at December 31, 1995 and June 30, 1996.

(6) CAPITAL LEASE OBLIGATION

The Company leases certain equipment under an agreement that expires June 2001. Interest is provided for at a rate of 11%. The obligation is secured by the equipment under lease. Prior to signing the lease, the Company made deposits for this equipment of approximately $156,500 that will be refunded to the Company by the lessor. In addition, the Company has made, and will be reimbursed by the lessor for, deposits of $100,000 for equipment to be leased under pending lease commitments.

Future minimum lease payments for the years ending December 31 are as follows:

1996	$ 39,130
1997	78,259
1998	78,259
1999	78,259
2000	78,259
Thereafter	39,129
Total	391,295
Less: amount representing interest	(89,090)
Present value of future minimum lease payments	302,205
Less: current portion	(25,840)
Obligation under capital lease, net of current portion	$276,365

(7) RELATED PARTY TRANSACTIONS

S&D LAND HOLDINGS, INC. -- On January 1, 1996, the Company transferred the real estate, excluding improvements, of its Linden Hills Unit and the site of a proposed Unit in St. Paul, Minnesota to its sole stockholder in exchange for amounts due to the stockholder and assumption of bank debt (see Note 5) totaling $781,023. The Company believes the exchange prices approximated the fair market values of the real estate exchanged. The stockholder concurrently transferred the real estate to S&D Land Holdings, Inc. (S&D), a company wholly owned by the stockholder, and entered into leases with the Company for the real estate (see Note 11). At June 30, 1996, the Company owed S&D $82,729 for rent through June 30, 1996.

GRAND PINES RESORTS, INC. -- Grand Pines Resorts, Inc. (Grand Pines), is a company wholly owned by the sole stockholder of the Company. The Company charges Grand Pines a royalty of 4% of its food sales. Royalty income was $33,646 and $17,015 for the year ended December 31, 1995 and the twenty-six weeks ended June

30, 1996. The Company also provides certain management services to Grand Pines for 3% (4% in 1995) of its food sales. Management services income is netted with general, administrative and development expenses in the Company's consolidated statements of operations and was $33,646 and $12,761 for the year ended December 31, 1995 and the twenty-six weeks ended June 30, 1996.

(8) STOCKHOLDER'S EQUITY

STOCK SPLIT -- On June 11, 1996, the Company declared a 2,000-for-1 stock split. The stock split has been retroactively reflected in the accompanying consolidated financial statements.

STOCK OPTION PLAN -- The Company adopted a Stock Option and Compensation Plan (the "Plan") in 1995, pursuant to which options and other awards to acquire an aggregate of 700,000 shares of the Company's common stock may be granted. Stock options, stock appreciation rights, restricted stock, other stock and cash awards may be granted under the Plan. In general, options vest over a period of five years and expire ten years from the date of grant.

Stock option transactions during 1995 and 1996 were as follows:

	SHARES	PRICE PER SHARE
Outstanding at December 31, 1994	0	$ 0
Granted	150,000	1.00
Canceled	0	0
Outstanding at December 31, 1995	150,000	1.00
Granted	25,000	3.50
Canceled	0	0
Outstanding at June 30, 1996	175,000	$ 1.00 - 3.50

(9) INCOME TAXES -- UNAUDITED PROFORMA DATA

The Company was an S Corporation through March 3, 1996. Accordingly, losses incurred through March 3, 1996 have been recognized by the Company's sole stockholder.

The unaudited proforma data in the accompanying consolidated financial statements accounts for income taxes as if the Company had been subject to federal and state income taxes at regular marginal corporate tax rates. The Company generated net losses for both financial reporting and income tax purposes.

From March 4, 1996 through June 30, 1996 the Company generated a net operating loss of approximately $200,000 which, if not used, will expire in 2011. Future changes in the ownership of the Company may place limitations on the use of this net operating loss carryforward. The Company has recorded a full valuation allowance against its deferred tax asset due to the uncertainty of realizing the related benefit.

(10) SUPPLEMENTAL CASH FLOWS INFORMATION

	DECEMBER 31, 1995	JUNE 30, 1996
Cash paid for interest	$9,067	$ 0
Non cash investing and financing activities:		
Equipment purchased under capital lease obligation	$ 0	$302,205
Real estate exchanged to retire debt	$ 0	$781,023
Construction purchased with accounts payable	$ 0	$834,520

(11) COMMITMENTS AND CONTINGENCIES

OPERATING LEASES -- The Company has entered into various operating leases as follows:

LEASES WITH S&D LAND HOLDINGS, INC. -- The Company leases the real estate for certain of its current or proposed Units from S&D Land Holdings, Inc., a company wholly owned by the Company's sole stockholder. Each lease generally has a ten-year term with two five-year options to extend and requires the payment of base rent plus the payment of real estate taxes and operating expenses as follows:

Linden Hills Unit -- Base rent of $48,800 per year payable monthly, adjusted annually for inflation. Expires in 2005 with two five-year extensions available.

Roseville Unit -- Base rent of $82,200 per year payable monthly, adjusted annually for inflation. Expires in 2002 with one five-year extension available.

Proposed St. Paul, Minnesota Unit -- Base rent of $44,900 per year payable monthly, adjusted annually for inflation. Expires in 2005 with two five-year extensions available.

Proposed Minnetonka, Minnesota Unit -- Base rent of $124,129 per year payable monthly, adjusted annually for inflation. Expires in 2005 with two five-year extensions available.

CORPORATE OFFICE -- The Company has a lease for its corporate office space that expires in 1998. Base rent is $3,951 per month. The Company also is required to pay its pro rata share of real estate taxes and operating expenses.

PROPOSED MINNEAPOLIS, MINNESOTA UNIT -- The Company leases space for its proposed Minneapolis, Minnesota Unit under a lease that expires in 2011, but may be terminated at the Company's election after the first five years. The lease requires initial base rent of $159,516 per year payable monthly, plus a percentage rent of 5% of annual gross sales in excess of $3,190,320, payable annually. The Company has the right to extend the term for two five-year periods. The Company may receive approximately 18 months of base rent credit and certain other incentives if it completes its improvements and opens for business on or before October 1, 1996. In addition to the base and percentage rents, the lease requires the Company to pay real estate taxes and operating expenses.

Future minimum rental payments (excluding percentage rents) for the operating leases described above are as follows for the years ending December 31:

1996	$ 395,591
1997	506,957
1998	491,153
1999	459,545
2000	459,545
Thereafter	1,367,553
Total	$3,680,344

EMPLOYMENT AGREEMENTS -- The Company has employment agreements with three of its officers. The agreements require minimum annual compensation of $100,000 to $125,000 and have terms of two to three years. All of the contracts require at least six month severance payments with resulting two year non-competes with one of the contracts requiring up to twelve months severance.

(12) SUBSEQUENT EVENT

PRIVATE PLACEMENT OF COMMON STOCK -- In July 1996, the Company sold 1,356,250 shares of its common stock in a private placement for $3.50 per share, and received net proceeds of approximately $4,200,000. The Company has used and plans to use the net proceeds from this private placement of common stock to complete the development of its Units and for working capital.

[PHOTOGRAPHS]

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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UNTIL , 1996 (25 DAYS AFTER THE DATE OF THE PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

FAMOUS DAVE'S

OF AMERICA, INC.

FAMOUS DAVE'S LOGO
2,000,000 UNITS

CONSISTING OF 2,000,000 SHARES
OF COMMON STOCK AND 2,000,000
REDEEMABLE CLASS A WARRANTS

PROSPECTUS

RJ STEICHEN & COMPANY LOGO
, 1996

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company is governed by Minnesota Statutes Chapter 302A. Minnesota Statutes Section 302A.521 provides that a corporation shall indemnify any person made or threatened to be made a party to any proceeding by reason of the former or present official capacity of such person against judgments, penalties, fines, including, without limitation, excise taxes assessed against such person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorney's fees and disbursements, incurred by such person in connection with the proceeding, if, with respect to the acts or omissions of such person complained of in the proceeding, such person has not been indemnified by another organization or employee benefit plan for the same expenses with respect to the same acts or omissions; acted in good faith; received no improper personal benefit and Section 302A.255, if applicable, has been satisfied; in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and in the case of acts or omissions by persons in their official capacity for the corporation, reasonably believed that the conduct was in the best interests of the corporation, or in the case of acts

or omissions by persons in their capacity for other organizations, reasonably believed that the conduct was not opposed to the best interests of the corporation.

As permitted by Section 302A.251 of the Minnesota Statutes, the Articles of Incorporation of the Company provide that a director shall have no personal liability to the Company and its shareholders for breach of his fiduciary duty as a director, to the fullest extent permitted by law.

The Underwriting Agreement contains provisions under which the small business issuer on the one hand, and the Underwriter, on the other hand, have agreed to indemnify each other (including officers and directors of the small business issuer and the Underwriter and any person who may be deemed to control the small business issuer or the Underwriter) against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses in connection with the issuance and distribution of the Units registered hereby, other than underwriting discounts and fees, are set forth in the following table:

SEC registration fee	$ 11,500
NASD filing fee	6,000
Nasdaq listing fee	8,500
Legal fees and expenses	80,000
Accounting fees and expenses	40,000
Blue Sky fees and expenses	20,000
Transfer agent fees and expenses	1,000
Printing and engraving expenses	35,000
Miscellaneous	18,000
Total	$220,000

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

In connection with additional capitalization of the Company on July 29, 1996, the Company sold and issued an aggregate of 1,356,250 shares of Common Stock to certain "Accredited Investors" as defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act") for a total aggregate consideration of $4,746,875. R.J. Steichen & Co., Inc., the Underwriter, was involved in such offering and received Agent's commissions totaling $427,219 pursuant to such offering. The Company believes that each and every such sale and issuance of such securities was exempt from registration pursuant to Section 4(2) of the Securities Act and Rule 506 promulgated thereunder.

ITEM 27. EXHIBITS.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
1.1	Form of Underwriting Agreement
1.2	Form of Underwriter's Warrant
3.1	Articles of Incorporation
3.2	By-laws
5	Opinion of Maslon Edelman Borman & Brand, a Professional Limited Liability Partnership*
10.1	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Linden Hills)
10.2	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Highland Park)
10.3	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of

	Minneapolis, Inc. as of January 15, 1996 (Minnetonka)
10.4	Sublease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Roseville)
10.5	Lease Agreement by and between Calhoun Square Associates Limited Partnership and Lake & Hennepin BBQ and Blues, Inc. dated January 4, 1996, as amended on March 26, 1996 and as further amended on July 15, 1996 (Calhoun Square)*
10.6	Assignment and Assumption of Lease Agreement by and between Innovative Gaming, Inc., Carlson Real Estate Company, and Famous Dave's of America, Inc. as of May 13, 1996 and Side Agreement dated May 16, 1996 between Innovative Gaming, Inc. and Famous Dave's of America, Inc. (corporate headquarters)
10.7	Company's 1995 Stock Option and Compensation Plan
10.8	Employment Agreement between the Company and David W. Anderson dated as of March 4, 1996
10.9	Employment Agreement between the Company and William L. Timm dated as of March 4, 1996
10.10	Employment Agreement between the Company and Mark A. Payne dated as of August 12, 1996
10.11	Trademark License Agreement between Famous Dave's of America, Inc. and Grand Pines Resorts, Inc.
10.12	Management Agreement dated January 1, 1996 between Famous Dave's Enterprises, Inc. and Famous Dave's of Minneapolis, Inc.
10.13	Amendment dated August 12, 1996 to the Company's 1995 Stock Option and Compensation Plan*
24.1	Consent of Maslon Edelman Borman & Brand, a Professional Limited Liability Partnership (included in Exhibit 5)*
24.2	Consent of Lund Koehler Cox & Company, PLLP
25	Powers of Attorney (included on Page II-5)

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* To be filed by Pre-effective Amendment.

ITEM 28. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the small business issuer of expenses incurred or paid by a director, officer or controlling person of the small business issuer 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 small business issuer 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 Act and will be governed by the final adjudication of such issue.

The undersigned small business issuer hereby undertakes that it will:

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to (i) include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and (iii) include any additional or changed material information on the plan of distribution.

(2) For determining any liability under the Securities Act, treat 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 small business issuer under Rule 424(b)(1) or (4) or Rule 497(h) under the Securities Act as part of this registration statement as of the time the Commission declared it effective.

(3) For determining any liability under the Securities Act, treat each

post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

The small business issuer hereby undertakes to provide to the Underwriter at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriter to permit prompt delivery to each purchaser.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and has authorized this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Minneapolis, State of Minnesota, on August 23, 1996.

FAMOUS DAVE'S OF AMERICA, INC.

By /s/ DAVID W. ANDERSON

David W. Anderson
Chairman of the Board and
Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Mark A. Payne or William M. Mower, each or either of them, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as such person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with 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 stated.

SIGNATURE	TITLE	DATE
/s/ DAVID W. ANDERSON David W. Anderson	Chairman of the Board and Chief Executive Officer	August 23, 1996
/s/ WILLIAM L. TIMM William L. Timm	President	August 23, 1996
/s/ MARK A. PAYNE Mark A. Payne	Vice President, Finance and Chief Financial Officer, Secretary and Treasurer	August 23, 1996
/s/ THOMAS J. BROSIG Thomas J. Brosig	Director	August 23, 1996
/s/ MARTIN J. O'DOWD Martin J. O'Dowd	Director	August 23, 1996

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PAGE NUMBER
1.1	Form of Underwriting Agreement	
1.2	Form of Underwriter's Warrant	
3.1	Articles of Incorporation	
3.2	By-laws	
5	Opinion of Maslon Edelman Borman & Brand, a Professional Limited Liability Partnership*	
10.1	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Linden Hills)	
10.2	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Highland Park)	
10.3	Lease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 15, 1996 (Minnetonka)	
10.4	Sublease Agreement by and between S&D Land Holdings, Inc., and Famous Dave's of Minneapolis, Inc. as of January 1, 1996 (Roseville)	
10.5	Lease Agreement by and between Calhoun Square Associates Limited Partnership and Lake & Hennepin BBQ and Blues, Inc. dated January 4, 1996, as amended on March 26, 1996 and as further amended on July 15, 1996 (Calhoun Square)*	
10.6	Assignment and Assumption of Lease Agreement by and between Innovative Gaming, Inc., Carlson Real Estate Company, and Famous Dave's of America, Inc. as of May 13, 1996 and Side Agreement dated May 16, 1996 between Innovative Gaming, Inc. and Famous Dave's of America, Inc. (corporate headquarters)	
10.7	Company's 1995 Stock Option and Compensation Plan	
10.8	Employment Agreement between the Company and David W. Anderson dated as of March 4, 1996	
10.9	Employment Agreement between the Company and William L. Timm dated as of March 4, 1996	
10.10	Employment Agreement between the Company and Mark A. Payne dated as of August 12, 1996	
10.11	Trademark License Agreement between Famous Dave's of America, Inc. and Grand Pines Resorts, Inc.	
10.12	Management Agreement dated January 1, 1996 between Famous Dave's Enterprises, Inc. and Famous Dave's of Minneapolis, Inc.	
10.13	Amendment dated August 12, 1996 to the Company's 1995 Stock Option and Compensation Plan*	
24.1	Consent of Maslon Edelman Borman & Brand, a Professional Limited Liability Partnership (included in Exhibit 5)*	
24.2	Consent of Lund Koehler Cox & Company, PLLP	
25	Powers of Attorney (included on Page II-5)	

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* To be filed by Pre-effective Amendment.

EXHIBIT 1.1

2,000,000 UNITS CONSISTING OF 2,000,000 SHARES OF COMMON STOCK
AND
2,000,000 REDEEMABLE CLASS A COMMON STOCK PURCHASE WARRANTS

FAMOUS DAVE'S OF AMERICA, INC.

UNDERWRITING AGREEMENT

____________, 1996

R. J. Steichen & Company
801 Nicollet Mall
1100 Midwest Plaza West
Minneapolis, MN 55402

Ladies and Gentlemen:

Famous Dave's of America, Inc., a Minnesota corporation (the "COMPANY"), proposes to issue and sell to you (the "UNDERWRITER"), an aggregate of 2,000,000 Units ("UNITS"), each Unit consisting of one share of Common Stock ("COMMON STOCK") and one Redeemable Class A Common Stock Purchase Warrant (the "WARRANT") exercisable for a period of four (4) years commencing on the effective date of the Registration Statement to purchase one share of Common Stock of the Company at a price of $8.50 per share. The Warrants shall be immediately exercisable and are detachable and transferable commencing ten (10) trading days after the effective date of the Registration Statement under the Act or at any earlier time agreed to by the Underwriter and the Company. The Warrants shall be redeemable at the option of the Company at $.01 per Warrant upon thirty (30) days' prior notice in writing of the Company's intention to redeem, provided that the average closing bid price for the Common Stock shall have averaged in excess of 120% of the exercise price per share for any 20 consecutive trading days prior to such notice, on the such other terms set forth in the Preliminary Prospectus (defined herein).

The 2,000,000 Units to be purchased from the Company are referred to herein as the "FIRM UNITS." In addition, solely for the purpose of covering overallotments with respect to the Firm Units, the Company proposes to grant to the Underwriter, for its account, the option to purchase up to an additional 300,000 Units (the "OPTION UNITS"). The Firm Units and any Option Units purchased pursuant to this Underwriting Agreement are herein referred to as the "UNITS."

The Company hereby confirms its agreement with respect to the purchase of the Units by the Underwriter.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to, and agrees with, the several Underwriter as follows:

(a) The Company has prepared in conformity in all material respects with the requirements of the Securities Act of 1933, as amended (the "ACT"), and the applicable rules and regulations of

the Securities and Exchange Commission (the "COMMISSION") thereunder, and has filed with the National Office of the Commission in Washington, D.C., a registration statement on Form SB-2, File No. 333-____________, including a Prospectus relating to the Units, and will file with the Commission before the effective date of the registration statement one or more amendments thereto. Copies of such registration statement and amendments (including all forms of the preliminary prospectus) have been delivered to you. Any such preliminary prospectus (as described in Rule 430 under the Act) included at any time as part of such registration statement is herein called a "PRELIMINARY PROSPECTUS." As used herein, the term "REGISTRATION STATEMENT" shall, except where the context otherwise requires, mean said registration statement (and all exhibits thereto) as amended by all amendments filed prior to its effective date; and the term "PROSPECTUS" shall, except where the context otherwise requires, mean said final prospectus on file with the Commission when the Registration Statement becomes effective (except that, if the prospectus filed by the Company pursuant to Rule 424(b) under Act shall differ from the prospectus included in the Registration Statement, the term "PROSPECTUS" shall, except where the context otherwise requires, mean the prospectus so filed pursuant to Rule 424(b) from and after the date on which it shall have been first used.) Reference herein to the Registration Statement, to any Preliminary Prospectus, to the Prospectus or to any amendment of or supplement to the Prospectus includes all documents and information incorporated therein by reference.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus, and each Preliminary Prospectus, at the time of filing thereof with the Commission, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that none of the representations and warranties in this subparagraph shall apply to statements in, or omissions from, any Preliminary Prospectus which are based upon and conform to written information furnished to the Company by or on behalf of any Underwriter through either or both of you specifically for use in the preparation thereof.

(c) When the Registration Statement becomes effective and at all times subsequent thereto up to each Closing Date and upon the effective date of any post-effective amendment to the Registration Statement, the Registration Statement and the Prospectus, and any amendments thereof or supplements thereto, will in all material respects conform to the requirements of the Act and of the applicable rules and regulations of the Commission thereunder (the "RULES AND REGULATIONS"). When the

Registration Statement becomes effective and at all times subsequent thereto, up to each closing date and the effective date of any past effective amendment to the Registration Statement, neither the Registration Statement (as amended, if the Company shall have filed with the Commission any post-effective amendment thereto), nor the Prospectus, will include 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; PROVIDED, HOWEVER, that the Company makes no representations or warranties as to information contained in or omitted from the Registration Statement or the Prospectus, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by either or both of you specifically for use in the preparation thereof. There is no contract or document required to be described in the

Registration Statement or Prospectus, or to be filed as an exhibit to the Registration Statement, which was not described or filed as required.

(d) [Deleted]

(e) Lund Koehler Cox & Company the accountants who have examined certain financial statements and schedules of the Company, filed and to be filed with the Commission as part of the Registration Statement and the Prospectus, are independent public accountants within the meaning of the Act and the Rules and Regulations. The financial statements of the Company, together with related notes and summaries thereof, set forth in the Registration Statement and Prospectus, in all material respects present fairly the financial position and results of operations and changes in financial position of the Company as of the dates and for the periods indicated. All such financial statements (including the related notes) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned.

(f) Subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus, and other than as described in the Registration Statement and Prospectus, (i) the Company has not incurred any material liabilities or obligations, contingent or otherwise, or entered into any material transaction, except obligations incurred in the ordinary course of business that in the aggregate are not material; (ii) the Company has not paid or declared any dividend or other distribution on its Common Stock; (iii) there has not been any change in the Common Stock or increase in the long-term debt of the Company (including any capitalized lease obligation), or any issuance of options, warrants, or rights to purchase Common Stock of the Company, or any material adverse change in the business, financial position, results of operations, key personnel, capitalization, properties, or net worth of the Company, considered as a whole; and (iv) no material loss or damage (whether or not insured) to the property of the Company has been sustained.

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with full power and authority to own its properties and conduct its business as it is currently being carried on and as described in the Prospectus and is duly qualified to do business as a

foreign corporation and is in good standing in all states or jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification and in which the failure to so qualify would have a material adverse effect on its business condition (financial or other), or properties. The Company has all necessary and material authorizations, approvals and orders of and from all governmental regulatory officials and bodies to own its properties and conduct its business as described in the Prospectus and is conducting its business in substantial compliance with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business.

(h) The Company is not in violation of its articles of incorporation, bylaws, or other governing documents and is not in default in the performance of any obligation, agreement or condition

contained in any lease agreement or in any bond, debenture, note or any other evidence of indebtedness or in any material contract, indenture, loan agreement or license where such default would have a material adverse effect on the business condition (financial or other) or properties of the Company, considered as a whole which violation or default has not been waived. The consummation of the transactions herein contemplated and the fulfillment of the terms hereof will not conflict with or result in a material breach of any of the terms or provisions of, or constitute a material default under, the articles of incorporation or bylaws, or order governing documents of the Company, or any indenture, mortgage, agreement or other instrument to which the Company is a party or by which it is bound, or to which any property of the Company is subject, or conflict with or violate any law or any order, rule or regulation, applicable to the Company of any court, or of any federal or state regulatory body or administrative agency, having jurisdiction over the Company or any of its properties which conflict, breach or default has not been waived.

(i) The Company has the duly authorized and outstanding capitalization as set forth in the Prospectus, as of June 30, 1996. The outstanding Common Stock of the Company are duly authorized and validly issued, fully paid and nonassessable. The Common Stock of the Company conform in all material respects in substance to all statements in relation thereto contained in the Registration Statement and the Prospectus. The Company has all requisite power and authority (corporate and other) to issue, sell, and deliver the Units, including the Common Stock issuable upon exercise of the Warrants in accordance with and upon the terms and conditions set forth in this Agreement and in the Registration Statement and Prospectus; and all corporate action required to be taken by the Company for the due and proper authorization, issuance, sale, and delivery of the Units, including the Common Stock issuable upon exercise of the Warrants has been validly and sufficiently taken.

(j) The Company has full legal power, right and authority (corporate and other) to enter into this Underwriting Agreement and to perform and discharge its obligations hereunder, and this Underwriting Agreement has been duly authorized, executed and delivered on behalf of the Company and is the valid and binding obligation of the Company, subject, as to the enforcement of remedies, to applicable bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, and

except as enforceability of the indemnification or contribution provisions may be limited by federal or state securities laws or principles of public policy.

(k) The Company will apply the proceeds of the sale of the Units by it substantially to the purposes set forth in the Prospectus.

(l) To the best of the Company's knowledge, no approval, authorization, consent or order of any public board or body (other than in connection with or in compliance with the provisions of the Act and the securities or Blue Sky laws of various jurisdictions) is legally required for the sale of the Units by the Company.

(m) The Company has no subsidiaries.

(n) The Company has good and marketable title, free and

clear of all liens, encumbrances, equities, charges or claims, to all of the property, real and personal, described in the Registration Statement and Prospectus as being owned by it, except as otherwise set forth in the Registration Statement and Prospectus and except for such as are not in the aggregate material in relation to the property of the Company considered as a whole and do not materially affect the value of such property, and, except as otherwise stated in the Registration Statement and Prospectus, has valid and binding leases to the real and/or personal property described in the Registration Statement and Prospectus as under lease to it with such exceptions as could not materially interfere with the conduct of the business.

(o) There are no actions, suits or proceedings or investigations pending before any court or governmental agency, authority or body to which the Company is a party or of which the business or property of the Company is the subject which, if decided adversely, would have a material adverse effect on the general affairs, condition (financial or other), business, properties, net worth, or results of operations of the Company, and, to the best of the Company's knowledge, no such actions, suits or proceedings are threatened.

(p) The Company has not taken or will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation as defined in the Securities Exchange Act of 1934, as amended, of the price of the Company's securities to facilitate the sale or resale of the Units.

(q) The Company has not, directly or indirectly, at any time during the past five years (i) made any contributions to any candidate for political office, or failed to disclose fully any contribution in violation of law, or (ii) made any payment to any state, Federal or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable law.

(r) Except as described in the Prospectus and to the best knowledge of the Company, the Company owns or possesses the right to utilize all the patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets, and similar rights necessary for the present conduct of its business as described in the Prospectus, without any known conflict with the asserted rights of others in respect of such matters. Except as may be stated in the Prospectus, the Company has not received any notice of any infringement of, or license or similar fees for, any patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets, or other similar rights of others, or any claim with respect thereto, which would have a material adverse effect on the business of the Company.

(s) The Company has filed all necessary federal, state and foreign income and franchise tax returns or if not filed, has obtained all necessary extensions and has paid all taxes as shown as due on any such returns; and there is no material tax deficiency which has been asserted against the Company, and, to the best of the Company's knowledge, the Company has no material obligation to pay any taxes except as may be stated in the Prospectus.

(t) All prior offers or sales of the securities of the Company were exempt from registration under the Act and all applicable state blue sky laws.

(u) No securities of the Company have been sold within three years prior to the date hereof, except as set out in Item 26 of Part II of the Registration Statement.

(v) The Company knows of no outstanding claims for services in the nature of a finder's fee or origination fee with respect to the sale of the Units or Underwriter's Warrants (defined hereinafter) hereunder resulting from its acts for which the Underwriter may be responsible. The Company will indemnify the Underwriter for and hold the Underwriter harmless against any claim for such finder's fees or origination fees.

(w) Each contract to which the Company is a party and which is filed as a part of or incorporated by reference into the Registration Statement has been duly and validly executed, is in full force and effect in all material respects in accordance with its terms, and none of such contracts have been assigned by the Company, and the Company knows of no present situation or condition or fact which would prevent compliance by the Company with the terms of such contracts, as amended to date. Except for amendments or modifications of such contracts in the ordinary course of business, the Company has no intention of exercising any right which it may have to cancel any of its obligations under any of such contracts, and has no knowledge that any other party to any of such contracts has any intention not to render full performance under such contracts.

(x) The Company maintains insurance which is in full force and effect, of the types and in an amount, in the judgment of the Company and except as otherwise

disclosed in the Prospectus, which is reasonable for its present business taking into account its operations and assets, including, but not limited to, insurance covering all personal property owned or leased by the Company against theft, damage, destruction, acts of vandalism and all other risks customarily insured against.

(y) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2. PURCHASE OF THE UNITS BY THE UNDERWRITER.

(a) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Company, the Firm Units. The purchase price for each Firm Unit shall be $5.52 per Unit.

(b) The Company hereby grants to the Underwriter, for its account, an option to purchase from the Company, solely for the purpose of covering overallotments in the sale of Firm Units, all or any portion of an aggregate of 300,000 Option Units for a period of 45 days from the date hereof at the same purchase price per Option Unit as the purchase price per Firm Unit set forth in Section 2(a) above.

3. DELIVERY OF AND PAYMENT FOR UNITS. Delivery of certificates for the Firm Units and payment therefor shall be made at the offices of Maslon Edelman Borman & Brand, PLLP (or such other place as mutually may be agreed upon), at 10:00 a.m., Minneapolis, Minnesota time, on or before the third full business day following the effective date of the Registration Statement (the "FIRST CLOSING DATE").

The option to purchase Option Units granted in Section 2(b) hereof may be exercised at any time or from time-to-time during the 45-day term thereof by written notice to the Company from you. Such notice shall set forth the aggregate number of Option Units as to which the option is being exercised, and the time and date, not earlier than either the First Closing Date or the second business day after the day on which the option shall have been exercised but not later than the third full business day after the date of such exercise, as determined by you, when the Option Units are to be delivered (the "SECOND CLOSING DATE"). Delivery and payment for such Option Units to be purchased by you are to be at the offices set forth above for delivery and payment of the Firm Units. The First Closing Date and the Second Closing Date are sometimes herein individually called the "CLOSING DATE" and collectively called the "CLOSING DATES."

Delivery of facsimile certificates for the Units shall be made by or on behalf of the Company to you against payment by you of the purchase price therefor by wire transfer or certified or official bank check to the order of the Company. The certificates for such Units shall be registered in such names and denominations as you shall have requested at least two full business days prior to the applicable Closing Date. Time shall be of the essence and delivery at the time and place specified in this Agreement is a further condition to your obligations hereunder.

4. COVENANTS OF THE COMPANY. The Company covenants and agrees with each Underwriter that:

(a) The Company will use its best efforts to cause the Registration Statement to become and remain effective, up to each Closing Date. The Company will notify you promptly of any request by the Commission for any amendment of or supplement to the Registration Statement or the Prospectus or for additional information, will prepare and file with the Commission, promptly upon your request, any amendments of or supplements to the Registration Statement or Prospectus which, in your reasonable opinion, may be necessary or advisable in connection with the distribution of the Units; and will not file any amendments and supplements to the Registration Statement as originally filed with the Commission unless it shall first have delivered copies of such amendments or supplements to you, or file any such amendment or supplement to which you shall have reasonably objected in writing to the Company. The Company will immediately advise you by telephone, confirming such advice in writing (i) when notice is received from the Commission that the Registration Statement has become effective, (ii) of any order suspending the effectiveness of the Registration Statement or of any proceedings or examination under the Act, as soon as the Company is advised thereof, and (iii) of

any order or communication of any public authority addressed to the Company suspending or threatening to suspend qualification of the Units for sale in any state. The Company will use its best efforts to prevent the issuance of any stop order or other such order, and, should a stop order or other such order be issued, to obtain as soon as possible the lifting thereof.

(b) If, at any time when a prospectus relating to the Units is required to be delivered under the Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or in the reasonable opinion of counsel for you, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary at any time to amend or supplement the Prospectus to comply with the Act, the Company will notify you promptly and prepare and file with the Commission an appropriate amendment or supplement.

(c) The Company will use its best efforts to take or cause to be taken all necessary action and furnish to whomever you may reasonably direct such information as may be required in qualifying the Units for offering and sale under the Blue Sky or securities laws of such states as you and the Company shall designate. The Company

shall not, however, be required to register or qualify as a foreign corporation or as a dealer in securities or, except as to matters and transactions related to the offering or sale of the Units, consent to service of process in any state.

(d) The Company will furnish to each of the several Underwriter, from time to time and without charge, copies of the Registration Statement, each Preliminary Prospectus, the Prospectus (including all documents from which information is incorporated by reference), and all amendments of and supplements to any of such documents, in each case as soon as available and in such quantities as you may from time to time reasonably request for the purposes contemplated by the Act. The Company authorizes the several Underwriter and all dealers to whom any of the Units may be sold by the Underwriter to use the Preliminary Prospectuses and Prospectuses supplied, as from time to time amended or supplemented, in connection with the sale of the Units as and to the extent permitted by federal and applicable state and local securities laws.

(e) The Company will furnish to each of you two copies of the Registration Statement and all amendments thereof which are signed and include all exhibits and schedules.

(f) The Company will for a period of five (5) years after the Effective Date, furnish directly to you, and to each Underwriter who may so request in writing, as soon as the same shall be sent to shareholders generally, copies of all annual or interim shareholder reports of the Company, and will, for the same period, also furnish each of you, and to each Underwriter who may so request in writing, with the following:

(i) two copies of any report, application, or document (other than exhibits, which, however, will be furnished on request) which the Company shall file with the Commission or any securities exchange;

(ii) as soon as the same shall be sent to shareholders generally, copies of each communication which shall be sent to shareholders; and

(iii) from time to time such other information concerning the Company as you may reasonably request, provided that the Company shall not be required to furnish any information pursuant hereto that is not furnished to its shareholders or not otherwise made publicly available.

(g) The Company will, for a period of two (2) years after the Effective Date, furnish directly to you, quarterly profit and loss statements, reports of the Company's cash flow, and statements of application of the proceeds of the offering contained in reports or statements filed by the Company with the Commission.

(h) The Company will make generally available to its security holders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement, a statement of earnings of the Company (which need not be

audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including at the option of the Company Rule 158).

(i) Whether or not this Agreement becomes effective or is terminated or cancelled or the sale of the Units to you is consummated, and regardless of the reason for or cause of any such termination, cancellation, or failure to consummate, the Company will pay or cause to be paid (A) all expenses (including any transfer taxes) incurred in connection with the delivery to you of the Units, (B) all expenses and fees (including, without limitation, fees and expenses of the Company's accountants and counsel, excluding, however, fees of the Underwriter' counsel) in connection with the preparation, printing, filing, delivery, and shipping of the Registration Statement (including the financial statements therein and all amendments, schedules, and exhibits thereto), each Preliminary Prospectus, the Prospectus, and any amendment thereof or supplement thereto, (C) all fees and expenses, including all Company counsel fees, (D) fees and expenses of the Underwriter's counsel, incurred in connection with the qualification of the Units for offering and sale by the Underwriter or by dealers under the securities or Blue Sky laws of the states and other jurisdictions which you and the Company mutually shall designate in accordance with Section 4(c) hereof, (E) subject to the further provisions of this Section 4(i), all fees and expenses, including all counsel fees, excluding, however, fees of the Underwriter's counsel, incurred in connection with the review of the offering by the National Association of Securities Dealers, Inc. and listing fees, if any, (F) all costs and expenses incident to qualification with The Nasdaq SmallCap Market, (G) postage and express charges and other expenses in connection with delivery of the Preliminary and Final Prospectus to the Underwriter, and (G) all other costs and expenses incident to the performance of their obligations hereunder that are not otherwise specifically provided for herein. In addition to and not in lieu of the foregoing, the Company shall pay to the Underwriter on each Closing Date, for out-of-pocket expenses (including fees of Underwriter's counsel), a nonaccountable expense allowance equal to two percent (2%) of the aggregate purchase price for the Units sold to the Underwriter on each Closing Date. If the Underwriter withdraws

from the sale of the Units as herein proposed for any reason other than its inability to sell the Units and through no other fault of its own, or if the sale of the Units as herein proposed is abandoned by the Company, the Company will reimburse the Underwriter in the amount of all accountable expenses (including fees and disbursements of counsel) incurred by the Underwriter in connection with the contemplated purchase, offer, and sale of the Units, including without limitation, expenses incurred in their investigation, preparation to market, and marketing of the Units, and in contemplation of performing and in performance of its obligations hereunder, up to an aggregate of $_______________, such expenses and fees to be evidenced by appropriate receipts, invoices, or other documentation.

(j) The Company will cause each officer and director of the Company, and Okabena Partnership K, to furnish to the Underwriter, on or prior to the date of this Agreement, a letter or letters, in form and substance satisfactory to counsel for the Underwriter, pursuant to which each such person shall agree not to offer for sale, sell, distribute or otherwise dispose of any securities of the Company for a period of twelve

(12) months from the date hereof as to David W. Anderson, Kathryn W. Anderson and Okabena Partnership K, and for a period of six (6) months from the date hereof as to all officers and directors of the Company not mentioned immediately above.

(k) The Company will not, during the 180 days following the effective date of the Registration Statement, except with your prior written consent, offer for sale, sell, distribute, or otherwise dispose of any Common Stock or sell or grant options, rights, or warrants with respect to any Common Stock (except for the grants, options, rights, warrants or convertible securities pursuant to the Company's 1995 Stock Option and Incentive Compensation Plan), otherwise than in accordance with this Agreement or as contemplated by the Prospectus.

(l) The Company authorizes the Underwriter and all dealers to whom any of the Units may be sold by the Underwriter in connection with the distribution of the Units, to use the Prospectus as from time to time amended or supplemented in connection with the offering and sale of the Units and in accordance with the applicable provisions of the Act and the applicable Rules and Regulations and applicable state "blue sky" or securities laws.

(m) The Company shall not request an effective date nor allow the Registration Statement to be declared effective without the prior approval of the Underwriter.

(n) Within the time during which the Prospectus is required to be delivered under the Act, the Company will comply, at its own expense, with all requirements imposed upon it by the Act, by the Rules and Regulations, by the Exchange Act, and by any order of the Commission, so far as necessary to permit the continuance of sales or dealings in the Units.

(o) The Company agrees to file with the Commission all required reports on Form SR in accordance with the provisions of Rule 463 promulgated under the Act and to provide a copy of such reports to the Underwriter and its counsel.

(p) The Company shall file an application and take all other steps necessary to have the Units listed on The Nasdaq SmallCap Market on or prior to the effective date of the Registration Statement under the Act.

(q) The Company will reserve and keep available that maximum number of its authorized but unissued shares of Common Stock which are issuable upon exercise of Units and the Underwriter's Warrant during the term of the Units and the Underwriter's Warrant.

(r) Prior to the Closing Date, no discussions will be held by officers, directors or any other affiliate or associate of the Company with any member of the news media and no news release or other publicity about the Company will be permitted without prior approval of the Company's and the Underwriter's respective legal counsel.

(s) The Company shall have obtained a CUSIP number for the Units (and its components) prior to the effective date of the Registration Statement under the Act.

(t) The Company shall supply to the Underwriter, and its legal counsel, at the Company's cost, one complete bound volume of all of the documents relating to the public offering, within a reasonable time after the Closing Date, not to exceed four (4) months. The volume shall be hard cover bound in book format.

(u) The Company will apply the proceeds from the sale of the Units by it to the purposes and in the manner set forth in the Registration Statement and, pending such application, shall invest such net proceeds only in one or more of the following, except as otherwise provided by prior written consent of the Underwriter: (i) interest-bearing obligations issued by the United States Government or issued by an agency or instrumentality of the United States Government and guaranteed by the United States Government and having a maturity not in excess of one year, (ii) interest-bearing domestic commercial paper having a maturity of not more than 365 days and, at the time of purchase by the Company, rated investment grade by Moody's Investors Service, Inc. or Standard & Poor's Corporation, (iii) interest-bearing certificates of deposit issued by a commercial bank chartered by the United States Government or by any state of the United States having shareholders' equity of at least $500,000,000 except that the foregoing notwithstanding, the Company may invest no more than $100,000 of such net proceeds in certificates of deposit issued by any such commercial bank regardless of shareholders' equity, and (iv) shares or other units of interest in a registered open-ended investment company the assets of which aggregate at least $200,000,000 and are invested solely in so-called "money market" obligations.

5. CONDITIONS OF UNDERWRITER' OBLIGATIONS. The obligations of the several Underwriter herein shall be subject to the accuracy of the representations and warranties on the part of the Company herein as of the date hereof, and as of each Closing Date, to the accuracy of the written statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., Minneapolis, Minnesota time, on the date of this Agreement or on such later time and date as shall be

satisfactory to the Underwriter, no stop order suspending the effectiveness of the Registration Statement or any amendment thereof or supplement or the qualification of the Units for offering or sale shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or, shall be threatened by the Commission or by any state securities authority, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the Underwriter's satisfaction.

(b) The Underwriter shall not have advised the Company that the Registration Statement or Prospectus, or any amendment thereof or supplement thereto, contains an untrue statement of fact that, in the Underwriter's reasonable opinion, is material, or omits to state a fact that, in your reasonable opinion, is material and is required to be stated therein or is necessary to make the statements therein not misleading provided that this Section 5(b) shall not apply to statements in, or omissions from, the Registration Statement or Prospectus, or any amendment thereof or supplement thereto that are based upon and conform to written information provided by the Underwriter specifically for use in the Registration Statement or Prospectus.

(c) On or prior to each Closing Date, the form and validity of the Units, the legality and sufficiency of the corporate proceedings and matters relating to the incorporation of the Company and other matters incident to the issuance of the Units, the form of the Registration Statement and the Prospectus and of any amendments thereof or supplements thereto filed prior to such Closing Date (other than financial statements and schedules and other financial or statistical data included therein), the authorization, execution, and delivery of this Agreement and the description of the Units contained in the Prospectus shall have been reasonably approved by the Underwriter. In connection with such determination, the Company shall have furnished to the Underwriter such documents as you may have requested for the purpose of enabling the Underwriter to pass upon such matters.

(d) On each Closing Date there shall have been furnished to the Underwriter, the favorable opinion (addressed to the Underwriter) of Maslon Edelman Borman & Brand, PLLP, counsel for the Company, dated such Closing Date, and in form reasonably satisfactory to counsel for the Underwriter, to the effect that:

(i) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Minnesota, with corporate power and authority to own or lease its properties and conduct its business as described in the Prospectus. The Company has no subsidiaries other than as described in the Prospectus.

(ii) The authorized capital stock of the Company as of the date of this Agreement is as set forth in the Prospectus. The outstanding shares of the Common Stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. The Units (and their components) have been duly authorized and, upon issuance, delivery and payment therefor as described in this Agreement, will be validly issued, fully paid and nonassessable. The shares of Common Stock underlying the Warrants have been duly

authorized and reserved for issuance and when issues, sold and delivered in accordance with the terms of the Warrant, will be validly issued, fully paid and nonassessable. The issuance, sale and delivery of the Underwriter's Warrant has been duly authorized and the shares (the "WARRANT SHARES") of Common Stock issuable upon the exercise thereof have been reserved for issuance upon such exercise. The Warrant Shares, when issued, sold and delivered in accordance with the terms of

the Underwriter's Warrant, will be validly issued, fully paid and nonassessable. No preemptive rights of, or rights of refusal in favor of, stockholders of the Company exist with respect to the Units (or any component thereof), the Underwriter's Warrant or the Warrant Shares, or the issue and sale thereof, pursuant to the Company's Articles of Incorporation or Bylaws.

(iii) The authorized securities of the Company conforms as to legal matters in all material respects to the description thereof set forth in the Prospectus under the caption "Description of Securities." The certificates representing the Warrants and the Common Stock are in proper form under the Minnesota Business Corporation Act.

(iv) The Registration Statement has become effective under the Securities Act and, to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus is in effect and, to our knowledge, no proceedings for that purpose have been instituted or are pending by the Commission. The registration of the Company's securities on Form 8-A has become effective under the Securities Exchange Act of 1934, as amended, and no stop order suspending the effectiveness of such registration, and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending by the Commission.

(v) The Registration Statement and the Prospectus comply as to form in all material respects with the requirements of the Securities Act and with the Rules and Regulations, except the financial statements, the notes thereto and the related schedules and other financial and statistical data contained therein, as to which we express no opinion.

(vi) Counsel knows of no contracts, leases, documents or pending legal proceedings that are required to be described in the Prospectus or to be filed as exhibits to the Registration Statement that are not so described or filed.

(vii) The Underwriting Agreement, the Warrant Agreement and the Underwriter's Warrant have been duly authorized by all requisite corporate action, executed and delivered by the Company and constitute the valid and binding obligations of the Company enforceable in accordance with their respective terms.

(viii) The execution and delivery of the Underwriting Agreement and the issue and sale of the Underwriter's Warrant, the Units (and their components) and the shares underlying the

Warrant will not violate or conflict with the Articles of Incorporation or the Bylaws of the Company or any material provision of any material contract or instrument filed as an exhibit to the Registration Statement to which the Company is a party or by which the Company is bound (other than any violation of or conflict with any financial tests or covenants contained therein,

as to which counsel need express no opinion) or any law of the United States or the State of Minnesota, any rule or regulation of any governmental authority or regulatory body of the United States or the State of Minnesota, or any judgment, order or decree known to us and applicable to the Company of any court or governmental authority.

(ix) No holders of capital stock of the Company, or securities convertible into capital stock of the Company, have the right to cause the Company to include such holder's capital stock in the Registration Statement pursuant to the Company's Articles of Incorporation or Bylaws or any contract or agreement.

(x) No consent, approval, authorization or order of, and no notice to or filing with, any governmental agency or body or any court is required to be obtained or made by the Company for the issue and sale of the Units pursuant to the Underwriting Agreement, except such as have been obtained or made and such as may be required under applicable state securities or blue sky laws or by the National Association of Securities Dealers, Inc., as to which we express no opinion.

Although counsel to the Company cannot guarantee the accuracy and completeness of the statements contained in the Registration Statement or in the Prospectus, on the basis of discussions and meetings with officers of the Company, representatives of the Company's independent auditors, the Underwriter and counsel to the Underwriter, our participation in the preparation of the Registration Statement and the Prospectus, our examination of the documents referred to in the Registration Statement and in the Prospectus, and our procedures forming the basis of the opinions expressed above, nothing came to our attention that led us to believe that the Registration Statement, as of the date it was declared effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date or on the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that we express no view with respect to the content of financial statements, the notes thereto and the related schedules and other financial or statistical data included in the Registration Statement or the Prospectus or as to statements in the Registration Statement or Prospectus which are based on and conform to written information furnished to the Company by or on your behalf specifically for use in the preparation thereof).

In rendering such opinion, such counsel may rely (A) as to questions of the law of jurisdictions other than the State of Minnesota or the United States upon an opinion or opinions (dated the

Closing Date, addressed to the Underwriter and in form satisfactory to the Underwriter) of counsel acceptable to the Underwriter and (B) as to matters of fact, to the extent they deem proper, on certificates of appropriate officers of

the Company, of the transfer agent and registrar for the Units and of public officials; PROVIDED, such opinions and certificates must be attached to the opinion of counsel.

(e) At the time of execution of this Agreement, the Underwriter shall have received from Lund Koehler Cox & Company a letter dated the date of such execution, in form and substance satisfactory to the Underwriter, to the effect that they are independent accountants with respect to the Company within the meaning of the Act and the applicable published instructions, and Regulations thereunder, and further stating in effect that:

(i) In their opinion, the audited financial statements included in the Registration Statement and Prospectus covered by their report included therein, comply as to form in all material respects with the applicable requirements of the Act and the published instructions, and Regulations, thereunder.

(ii) On the basis of (A) a reading of the minutes of the shareholders' and directors' meetings of the Company, since March 14, 1994, (B) inquiries of certain officials of the Company responsible for financial and accounting matters, (C) a reading of the Company's monthly operating statements subsequent to March 14, 1994, and (D) other specified procedures and inquiries (but not an audit in accordance with generally accepted auditing standards), nothing came to their attention causing them to believe that:

(1) that the unaudited financial statements of the Company, contained in the Prospectus and any amendment thereof or supplement thereto, do not comply as to form, in all material respects, with the applicable accounting requirements of the Act and the published Rules and Regulations or were not prepared in conformity with generally-accepted accounting principles and practices applied on a basis consistent in all material respects with those followed in the preparation of, the audited financial statements of the Company included therein; or

(2) that the unaudited amounts of revenues, income before provision for income taxes, net income and ratio of earnings to fixed charges of the Company contained in the Prospectus, or any amendment thereof or supplement thereto, were not derived from financial statements prepared in conformity with generally-accepted accounting principles and practices applied on a basis consistent in all material respects with those followed in the preparation of the audited financial statements of the Company included therein; or

(3) that the unaudited pro forma financial statements of the Company and recently-acquired companies, if any, contained in the Prospectus or any amendment thereof or supplement thereto, were not properly compiled in accordance with generally-accepted accounting

principles or did not provide for all adjustments necessary for a fair presentation of the information purported to be shown thereby; or

(4) with respect to the period subsequent to June 30, 1996, there were, at a specified date, not more than five (5) business days prior to the date of the letter, any changes or any material increases or decreases in capital stock, long-term or short-term debt or shareholders' equity, decreases in net assets, net current assets, or net worth or any material decrease, as compared with the corresponding period of the prior year, in revenues or net income of the Company as compared with the amounts shown in the June 30, 1996 balance sheet included in the Registration Statement, except as disclosed or referred to in the Prospectus and Registration Statement.

(iii) Certain information set forth on the cover of the Prospectus and page 3 of the Prospectus, and in the Prospectus under the headings "Prospectus Summary," "Summary Financial Information," "Risk Factors," "Use of Proceeds," "Dilution," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Management," "Certain Transactions," "Principal Shareholders," "Description of Securities" and "Shares Eligible for Future Sale" and that are expressed in dollars (or percentages derived from dollar amounts) or numbers have been compared to accounting records of the Company which were subject to the internal accounting controls of the Company and are in agreement with such records or computations made therefrom, excluding any questions of legal interpretation.

(f) The Underwriter shall have received from Lund Koehler Cox & Company a letter dated as of each Closing Date, to the effect that such accountants reaffirm, as of such Closing Date, and as though made on such Closing Date, the statements made in the letter furnished by such accountants pursuant to subparagraph (e) of this Section 5, except that the specified date referred to in such letter will be a date not more than five (5) business days prior to such Closing Date.

(g) At each Closing Date, the Company shall have performed all material obligations and satisfied all material conditions on its part to be performed or satisfied on or prior thereto (except any condition satisfaction of which shall have been waived as herein provided) and compliance with the provisions of this subparagraph (g) shall be evidenced by a certificate of an executive officer of the Company.

(h) On each Closing Date there shall have been furnished to you a certificate, dated as of such Closing Date and addressed to the Underwriter, signed by the principal executive officer and

principal financial officer of the Company to the effect that:

(i) the representations and warranties and covenants of the Company in this Agreement are true and correct in all material respects as if made at and as of such Closing Date and the Company has complied in all material respects with

all the agreements and satisfied all the material conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date;

(ii) no stop order or other order suspending the effectiveness of the Registration Statement or any amendment or supplement thereto or the qualification of the Units for offering or sale has been issued and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the respective signers thereof, are threatened by the Commission or any state or regulatory body;

(iii) neither the Registration Statement, as of the date it was declared effective, nor the Prospectus, as of its date and the Closing Date, included any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (B) since the effective date of the Registration Statement, no event has occurred which should have been set forth in an amendment or supplement to the Prospectus which has not been set forth in such an amendment or supplement; (C) subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus and except as set forth in or contemplated by the Prospectus, the Company has not incurred any material liability or obligation, direct or contingent, whether or not in the ordinary course of business, or entered into any material transaction, outside of the ordinary course of business, and there has not been any material change in the Common Stock, or any increase in the short-term or long-term debt, including any capitalized lease obligation (other than in the ordinary course of its business and in an amount which is not material) or any issuance of options, warrants, convertible securities or other rights to purchase the Common Stock of the Company or any material adverse change in the general affairs, business, key personnel, capitalization or financial position of the Company considered as a whole (other than the issuance of Common Stock pursuant to existing options); and subsequent to the date of the Underwriting Agreement, the Company has not sustained any material loss or damage to its property or interference with its business by strike, fire, flood, accident or other calamity, whether or not any of the foregoing is insured, that would have a material adverse effect upon the Company considered as a whole, (D) the projection of the Company previously presented to the Underwriter showing that the Company will be able to meet the maintenance requirements for listing on The Nasdaq National Market for a period of 24 months from the date hereof, were prepared in good faith and continue to represent the signers' best present estimate of the Company's financial condition following the Closing of the sale of the Units.

(i) The Company shall deliver to the Underwriter a Blue Sky Memorandum reasonably satisfactory to you from Doherty, Rumble & Butler, P.A., confirming that all requisite action for the offer and sale of the Units in all jurisdictions requested has been taken.

(j) The Underwriter shall have received "lock up" agreements, in form and substance acceptable to the Underwriter, from (i) David W. Anderson and Kathryn W. Anderson, and Okabena Partnership K, restricting the sale, assignment or other conveyance of any of their securities of the Company without the prior written consent of the Underwriter for a period of twelve (12) months from the effective date of the Registration Statement under the Act; and (ii) from all directors and officers of the Company (not included in (i) above) restricting the sale, assignment or other conveyance of any securities of the Company without the prior written consent of the Underwriter for a period of six (6) months from the effective date of the Registration Statement under the Act.

(k) The Company's Units (and the securities comprising the Units) shall be listed on The Nasdaq SmallCap Market on or prior to the effective date of the Registration Statement under the Act.

(l) Prior to the First Closing, the number of issued and outstanding shares of common stock of the Company shall not exceed 3,356,250 shares, and there shall be no material change in the capitalization of the Company without the prior written consent of the Underwriter.

(m) The Company's Units (and the securities comprising the Units) shall be registered under the Securities Exchange Act of 1934, as amended, pursuant to Form 8-A, on or prior to the effective date of the Registration Statement under the Act.

(n) The Company shall have furnished to the Underwriter and Doherty, Rumble & Butler, P.A., counsel for the Underwriter, such further certificates and documents as the Underwriter's counsel may reasonably request, relating to the fulfillment of the conditions set forth in this Section 5.

All such opinions, certificates, letters and documents will be in compliance with the provisions hereof only if they are reasonably satisfactory to the Underwriter and to counsel for the Underwriter. The Company will furnish you with such conformed copies of such opinions, certificates, letters, and other documents as you shall reasonably request. The Underwriter may waive in writing the performance of any one or more of the conditions specified in this Section 5 or extend the time for their performance.

If any of the conditions specified in this Section 5 shall not have been fulfilled when and as required by this Agreement to be fulfilled, this Agreement and all obligations of the Underwriter hereunder may be cancelled by the Underwriter at, or at any time prior to, each Closing Date. Any such cancellation shall be without liability of the Underwriter to the Company or any liability of the Company to the Underwriter, except pursuant to Section 4(i) hereof. Notice of such cancellation shall be given to the Company in writing, or by telefax or telephone confirmed in writing.

The Underwriter may waive in writing the performance of any one or more of the foregoing conditions or extend the time for their performance.

6. EFFECTIVE DATE AND TERMINATION.

(a) This Agreement shall become effective at immediately after the time at which the Registration Statement shall have become effective under the Act.

(b) Until the First Closing Date, this Agreement may be terminated by you by giving notice to the Company, if (i) the Company shall have sustained a loss or damage by fire, flood, accident, or other calamity which is material to the property, business, or condition (financial or other) of the Company considered as a whole, any properties of the Company shall have become a party or subject to litigation material to the Company considered as a whole, or there shall have been, since the respective dates as of which information is given in the Registration Statement or the Prospectus, any material adverse change or development in the general affairs, condition (financial or other), business, key personnel, capitalization, properties, results of operations or net worth, of the Company considered as a whole, whether or not arising in the ordinary course of business, which loss, damage, or change, in your judgment or in the reasonable judgment of a majority in interest of the several Underwriter, shall render it inadvisable to proceed with the delivery of the Units, whether or not such loss shall have been insured, (ii) trading in securities generally on the New York Stock Exchange or the American Stock Exchange or the over-the-counter market shall have been suspended or minimum prices shall have been established on such exchange or market by the Commission or by such exchange, (iii) a general banking moratorium shall have been declared by federal or state authorities, or (iv) there shall have been such a serious, unusual and material adverse change in general economic, political, or financial conditions or the effect of international conditions on the financial markets in the United States shall be such as, in your reasonable judgment or in the reasonable judgment of such majority in interest of the several Underwriter, makes it inadvisable to proceed with the delivery of the Units. Any termination of this Agreement pursuant to this Section 6 shall be without liability of the Company to the Underwriter, except as otherwise provided in Sections 4(i) hereof, 7 and 8 hereof, and without liability of the Underwriter to the Company, except as provided in Sections 7 and 8 hereof.

(c) Any notice referred to in this Section 6 may be given at the address specified in Section 11 hereof in writing or by telegraph or telephone, and if by telegraph or telephone, shall be immediately confirmed in writing.

7. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of the Act against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such controlling person may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact made by the Company in Section 1 hereof or contained (A) in the Registration Statement, any

Preliminary Prospectus, or the Prospectus, or any amendment thereof or supplement thereto, or (B) in any Blue Sky application or other document executed by the Company specifically for that purpose or based upon and conforming to written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Units under the securities laws thereof (any such application, document or information being hereinafter called a "BLUE SKY APPLICATION"), or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, or the Prospectus, or any amendment thereof or supplement thereto, or in any Blue Sky Application a 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 will reimburse the Underwriter, its officers and directors and each such controlling person for any legal or other expenses reasonably incurred by the Underwriter, its officers and directors or such controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent, but only to the extent, that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company through you or on your behalf specifically for use in the preparation of the Registration Statement or any amendment thereof or supplement thereto, or any such Blue Sky Application or any such Preliminary Prospectus or the Prospectus or any such amendment thereof or supplement thereto; and provided, further, that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any untrue statement, alleged untrue statement, omission or alleged omission made in any Preliminary Prospectus but eliminated or remedied in the Prospectus (as amended or supplemented), such indemnity agreement shall not inure to the benefit of the Underwriter (or to the benefit of any person who controls the Underwriter), if the person asserting any loss, liability, claim or damage purchased the Units which are the subject thereof and a copy of the Prospectus (as then supplemented or amended) was not sent or given to such person with or prior to the written confirmation of the sale of such Units to such person.

(b) The Underwriter will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer, or controlling person, may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained (A) in the Registration Statement, any Preliminary Prospectus, or the Prospectus, or any amendment thereof, or supplement thereto, or (B) in any Blue Sky Application, or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment thereof or supplement thereto or in any Blue Sky Application a 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, in each case to the extent,

but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through you specifically for use with reference to the Underwriter in the preparation of the Registration Statement or any amendment thereof or supplement thereto or any such Blue Sky Application or any such Preliminary Prospectus or the Prospectus or any such amendment thereof or supplement thereto; and will reimburse the Company, any such director or officer, or controlling person, for any legal or other expenses reasonably incurred by the Company or any such director or officer, or controlling person, in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which the Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 7, notify in writing the indemnifying party of the commencement thereof; no indemnification shall be available to any party who shall fail to give notice as provided in this Section 7(c) if the party to whom notice was not given was unaware of the proceeding to which such notice would have related and was prejudiced by the failure to give such notice, but the omission so to notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability that it may have to any indemnified party for contribution or otherwise than under this section. In case any such action is brought against any indemnified party, and the indemnified party notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel who shall be to the reasonable satisfaction of such indemnified party, and (notwithstanding subparagraph (a) and (b) of this Section 7) after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation except as provided below. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized in writing by the indemnifying parties, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying parties, or any of them, and the indemnified party in the conduct of the defense of such action (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying parties shall not have employed counsel to assume the defense of such action within a reasonable time after notice of the commencement thereof, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying parties; provided, however, that the indemnifying parties shall not be liable for the fees and expenses of more than one counsel for the indemnified parties. Any such indemnifying party shall not be liable to any such indemnified party on account

of any settlement of any claim or action effected by the indemnified party without the consent of such indemnifying party.

8. CONTRIBUTION. In order to provide for just and equitable contribution in circumstances in which indemnification provided for in Section 7 is unavailable, each indemnifying party shall contribute to the aggregate losses, claims, damages, expenses and liabilities to which the indemnified parties may be subject in such proportion so that the Underwriter is responsible for that portion (the "UNDERWRITING PORTION") represented by the percentage that the underwriting commissions appearing on the cover page of the Prospectus bear to the public offering price (net of Underwriting Commissions) appearing thereon and the Company is responsible for the remaining portion (the "RESIDUAL PORTION"); provided, however, (i) that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation; and (ii) if such allocation is not permitted by applicable law, then the relative fault of the Company, its directors, officers and controlling persons, on the one hand, and the Underwriter, its officers, directors and its controlling persons, on the other, in connection with the statements or omissions which resulted in such damages and other relevant equitable considerations shall also be considered. The relative fault shall be determined by reference to, among other things, whether in the case of an untrue statement of a material fact or the omission to state a material fact, such statement or omission relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriter agree that it would not be just and equitable if the respective obligations of the Company on the one hand, and the Underwriter, on the other, to contribute pursuant to this Section 8 were to be determined by pro rata or per capita allocation of the aggregate damages (even if the Underwriter, its officers, directors and its controlling persons in the aggregate were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 8. For purposes of this Section 8, the term "DAMAGES" shall include any legal or other expense reasonably incurred by the indemnified party in connection with investigating or defending any action or claim that is the subject of the contribution provisions of this Section 8. Notwithstanding the provisions of this Section 8, the Underwriter, its officers, directors and its controlling persons in the aggregate shall not be required to contribute any amount in excess of the amount by which the total purchase price of the Units purchased by it, directly or indirectly, from the Company pursuant to this Agreement exceeds the amount of any damages that the Underwriter, its officers, directors and its controlling persons in the aggregate have otherwise been required to pay by reason of such untrue statement or omission. For purposes of this Section 8, each person, if any, who controls the Underwriter within the meaning of the Act shall have the same rights to contribution as the Underwriter, and each person, if any, who controls the Company within the meaning of the Act, each officer who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company. Each party entitled to contribution agrees that, upon the service of a summons or other initial legal process upon it in any action instituted against it in respect of which contribution may be sought, it will promptly give written notice of such service to the party or parties from whom contribution may be sought, but the omission so to notify such party or parties of any such service shall not relieve the party from whom contribution may be sought

from any obligation it may have hereunder or otherwise. In case any such action, suit, or proceeding is brought against any party, and such person so notifies a contributing party of the commencement thereof, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified.

9. SURVIVAL OF INDEMNITIES, CONTRIBUTION, WARRANTIES AND REPRESENTATIONS. The respective indemnity and contribution agreements of the Company and the Underwriter contained in Sections 7 and 8 hereof, the representations, warranties, and covenants of the Company contained in Sections 1 and 4 hereof and the representations and warranties of the Underwriter contained in Section 14 hereof shall remain operative and in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of the Underwriter or the Company or any of their respective directors or officers, or any controlling person referred to in said Sections 7 and 8, and shall survive the delivery of, and payment for, the Units.

10. NOTICES. Except as otherwise expressly provided in this Agreement, all notices and other communications hereunder shall be in writing and, if given to the Underwriter, shall be mailed, delivered or telefaxed to R. J. Steichen & Company, 801 Nicollet Mall, 1100 Midwest Plaza West, Minneapolis, MN 55402, Attention: President, with a copy to Girard P. Miller, Doherty, Rumble & Butler, P.A., 150 South Fifth Street, Suite 3500, Minneapolis, MN 55402, or if given to the Company, shall be mailed, delivered or telefaxed to it at Famous Dave's of America, Inc., 12700 Industrial Boulevard, Suite 60, Plymouth, MN 55441, Attention: President, with a copy to William M. Mower, Maslon Edelman Borman & Brand, PLLP, 90 South Seventh Street, Suite 3300, Minneapolis, MN 55402.

11. UNDERWRITER'S WARRANTS. Upon payment of a purchase price of $50 by the Underwriter, the Company will issue and deliver to R. J. Steichen & Company, for its account, Warrants to purchase Units in an amount equal to 10% of the number of Firm Units purchased by the Underwriter in the offering. Such Warrants shall be issued on the Closing Date, in an amount equal to 200,000 Units and shall be dated as of the Closing Date. Such Warrants shall be exercisable commencing one (1) year after the Effective Date for a period of three years thereafter at a price equal to 120% of the per Unit offering price. Such Warrant shall contain such terms and conditions as contained in the form of Underwriter's Warrant attached hereto and labeled Appendix A.

12. INFORMATION FURNISHED BY UNDERWRITER. The statements relating to stabilization activities of the Underwriter on the inside front cover of the Preliminary Prospectus and the Prospectus, and under the caption "UNDERWRITING" in any Preliminary Prospectus and in the Prospectus, and, to the extent the same relate to you, in any Blue Sky application, constitute the written information furnished by or on behalf of you referred to in Section 1 hereof and in paragraphs (a) and (b) of Section 7 hereof.

13. PARTIES. This Agreement is made solely for the benefit of the Underwriter, the Company, any director, officer, or controlling person referred to in Sections 7 and 8 hereof, and their respective personal representatives, successors and assigns, and no other person shall acquire or have any right by virtue of this Agreement. The term "personal representatives,

successors and assigns," as used in this Agreement, shall not include any purchaser of Units (as such purchaser) from the Underwriter.

14. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE UNDERWRITER. The Underwriter represents, warrants to and agrees with the Company that:

(a) The Underwriter is a corporation duly incorporated and validly existing in good standing under the laws of the jurisdiction in which it is incorporated.

(b) The Underwriter is duly registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, and under the Securities laws of Minnesota and of such other states in which it intends to offer or sell the Units, if such registration is required in any such other state, and is a member in good standing of the National Association of Securities Dealers, Inc., and no proceedings have been initiated or threatened to suspend any such registration or membership.

(c) The execution, delivery and performance of this Agreement by the Underwriter, and the consummation of the transactions contemplated hereby, have been duly authorized by the Underwriter, and at the time of its execution, performance, or consummation, will not constitute or result in any breach or violation of any of the terms, provisions or conditions of, or constitute a default under, any federal statute or regulation (including, without limitation, the net capital requirements under Rule 15c-1 of the Securities Exchange Act of 1934) or any statute or regulation of any state in which it intends to offer or sell the Units, or any order, judgment, decree, rule or regulation of any court or governmental agency or body having jurisdiction over the Underwriter or any of its activities or property; and other than registration of the Units under the Act and applicable states securities laws and subject to the favorable review by the National Association of Securities Dealers, Inc., no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated hereby.

(d) There is not now pending or threatened against any of the Underwriter or any control person of an Underwriter any action or proceeding of which you have been advised, either in any court of competent jurisdiction or before the Commission, National Association of Securities Dealers, Inc. or the securities authorities of any state, based upon any action or failure to act on the part of the Underwriter or any controlling person of an Underwriter that would restrict the Underwriter's ability to perform its obligations hereunder.

(e) The Units will be offered by the Underwriter only to persons resident in Minnesota and such other states as are mutually designated by the Underwriter and the Company pursuant to Section 4(c) hereof. All of such persons shall be persons and entities for whom the purchase of the Units is a suitable investment and the Underwriter shall employ or engage no Selected Dealer, sales person, agent or representative in the offer or sale of the Units, which sales person, agent or representative is not properly

registered and licensed for the purpose of such offer or sale. All such registrations and licenses shall remain in full force and effect until after the Closing Dates.

(f) The Underwriter agrees that neither the Underwriter nor any officer or other person employed by the Underwriter or any

Selected Dealer will provide any information or make any representations to offerees of the Units, other than such information and representations as are either contained in the Prospectus or the Registration Statement or are not inconsistent with information set forth in the Prospectus or the Registration Statement.

(g) The Underwriter agrees that in the event the Underwriter learns of any circumstances or fact which it believes would make any Preliminary Prospectus, the Prospectus, or the Registration Statement inaccurate or misleading in any material respect, it will immediately bring such circumstances or facts to the attention of the Company.

15. GOVERNING LAW. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Minnesota.

FAMOUS DAVE'S OF AMERICA, INC.

By ____
Its _______________________________________

"COMPANY"

The foregoing Agreement is hereby confirmed and accepted as of the date first above written:

R. J. STEICHEN & COMPANY

By _________________________________
Authorized Officer

____
Print Name

"UNDERWRITER"

EXHIBIT 1.2

APPENDIX A

UNDERWRITER'S WARRANT

FAMOUS DAVE'S OF AMERICA, INC.

UNIT PURCHASE WARRANT

Famous Dave's of America, Inc., a Minnesota corporation (the "COMPANY"),hereby agrees that, for value received, R. J. STEICHEN & COMPANY, or its assigns, is entitled, subject to the terms set forth below, to purchase from the Company at any time or from time to time after ____________, 1997, and before 4:30 p.m., Minneapolis, Minnesota time, on __________, 2001, Two Hundred Thousand (200,000) Units of the Company under terms and conditions identical to those certain Units issued by the Company pursuant to that certain Registration Statement on Form SB-2, File No. 333-__________ (the "UNITS"), each Unit consisting of one share of Common Stock and one Common Stock Purchase Warrant with an exercise price of $8.50 (the "WARRANTS"), at an exercise price of $7.20 per Unit, subject to adjustment as provided herein; PROVIDED, HOWEVER, the Company may not redeem any warrant comprising any Unit subject to this Unit Purchase Warrant until at least forty-five (45) days after this Unit Purchase Warrant first becomes exercisable by the holder thereof.

1. EXERCISE OF WARRANT. The purchase rights granted by this Warrant shall be exercised (in minimum quantities of 100 shares) by the holder surrendering this Warrant with the form of exercise attached hereto duly executed by such holder, to the Company at its principal office, accompanied by payment, in cash or by cashier's check payable to the order of the Company, of the purchase price payable in respect of the Units being purchased. If less than all of the Units purchasable hereunder is purchased, the Company will, upon such exercise, execute and deliver to the holder hereof a new Warrant (dated the date hereof) evidencing the number of Units not so purchased. As soon as practicable after the exercise of this Warrant and payment of the purchase price, the Company will cause to be issued in the name of and delivered to the holder hereof, or as such holder may direct, a certificate or certificates representing the Units purchased upon such exercise. The Company may require that such certificate or certificates contain on the face thereof a legend substantially as follows:

> "The transfer of the Units represented by this certificate is restricted pursuant to the terms of a Unit Purchase Warrant dated _________________, 1996, issued by Famous Dave's of America, Inc., a copy of which is available for inspection at the offices of Famous Dave's of America, Inc. Transfer may not be made except in accordance with the terms of the Unit Purchase Warrant. In addition, no sale, offer to sell or transfer of the Units represented by this certificate shall be made unless a Registration Statement under the Securities Act of 1933, as amended (the "ACT"), with respect to such Units is then in effect or an exemption from the registration requirements of the Act is then in fact applicable to such Units."

____

THIS WARRANT IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH AT THE BOTTOM OF PAGE 7 HEREOF.

2. NEGOTIABILITY AND TRANSFER. This Warrant is issued upon the following terms, to which each holder hereof consents and agrees:

(a) Except where directed by a court of competent jurisdiction pursuant to the dissolution or liquidation of a corporate holder hereof, for the period ending one year from ________________, 1996, title to this Warrant may not be sold, transferred, assigned or hypothecated, except that within such one-year period title to this Warrant may be transferred only to R. J. Steichen & Company (the "UNDERWRITER"), or to a person who is both an officer and shareholder, or both an officer and employee, of the Underwriter, or to a successor (or both an officer and shareholder, or both an officer and employee) in interest to the business of the Underwriter, by endorsement (by the holder hereof executing the form of assignment attached hereto) and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery subject to the requirements of Section 4 hereof.

(b) Until this Warrant is duly transferred on the books of the Company, the Company may treat the registered holder of this Warrant as absolute owner hereof for all purposes without being affected by any notice to the contrary.

(c) Each successive holder of this Warrant, or of any portion of the rights represented thereby, shall be bound by the terms and conditions set forth herein.

3. ANTIDILUTION ADJUSTMENTS. If the Company shall at any time hereafter subdivide or combine its outstanding shares of Common Stock, or declare a dividend payable in Common Stock, the exercise price in effect immediately prior to the subdivision, combination or record date for such dividend payable in Common Stock shall forthwith be proportionately increased, in the case of combination, or proportionately decreased, in the case of subdivision or declaration of a dividend payable in Common Stock, and the number of Units purchasable upon exercise of this Warrant, immediately preceding such event, shall be changed to the number determined by dividing the then current exercise price by the exercise price as adjusted after such subdivision, combination or dividend payable in Common Stock and against the number of Units purchasable upon the exercise of this Warrant immediately preceding such event, so as to achieve an exercise price and number of Units purchasable after such event proportional to such exercise price and number of Units purchasable immediately preceding such event. No adjustment in exercise price shall be required unless such adjustment would require an increase or decrease of at least five cents ($0.05) in such price; PROVIDED, HOWEVER, that any adjustments which are not require to be so made shall be carried forward and taken into account in any subsequent adjustment. All calculations hereunder shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

No fractional Units are to be issued upon the exercise of the Warrant, but the Company shall pay a cash adjustment in respect of any fraction of a

Unit which would otherwise be issuable in an amount equal to the same fraction of the market price per share of Unit's on the day of exercise as determined in good faith by the Company.

In case of any capital reorganization or any reclassification of the shares of Common Stock of the Company, or in the case of any consolidation with or merger of the Company into or with another corporation, or the sale of all or substantially all of its assets to another corporation, which is effected in such a manner that the holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a part of such reorganization, reclassification, consolidation, merger or sale, as the case may be, lawful provision shall be made so that the holder of the Warrant shall have the right thereafter to receive, upon the exercise hereof, the kind and amount of shares of stock or other securities or property which the holder would have been entitled to receive if, immediately prior to such reorganization, reclassification, consolidation, merger or sale, the holder had held the number of Units which were then purchasable upon the exercise of the Warrant. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company) shall be made in the application of the provisions set forth herein with respect to the rights and interest thereafter of the holder of the Warrant, to the end that the provisions set forth herein (including provisions with respect to adjustments of the exercise price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the exercise of the Warrant.

When any adjustment is required to be made in the exercise price, initial or adjusted, the Company shall forthwith determine the new exercise price, and

(a) prepare and retain on file a statement describing in reasonable detail the method used in arriving at the new exercise price; and

(b) cause a copy of such statement to be mailed to the holder of the Warrant as of a date within ten (10) days after the date when the circumstances giving rise to the adjustment occurred.

4. REGISTRATION RIGHTS. Prior to making any disposition of the Warrant or of any Units purchased upon exercise of the Warrant, the holder will give written notice to the Company describing briefly the manner of any such proposed disposition. The holder will not make any such disposition until (i) the Company has notified him that, in the opinion of its counsel, registration under the Act is not required with respect to such disposition, or (ii) a Registration Statement covering the proposed distribution has been filed by the Company and has become effective. The Company agrees that, upon receipt of written notice from the holder hereof with respect to such proposed distribution, it will use its best efforts, in the consultation with the holder's counsel, to ascertain as promptly as possible whether or not registration is required, and will advise the holder promptly with respect thereto, and the holder will cooperate in providing the Company with information necessary to make such determination.

If, at any time prior to the expiration of seven (7) years from the date hereof, the Company shall propose to file any Registration Statement (other than any registration on Forms S-4, S-8 or any other similarly inappropriate form or Registration Statement with respect to an initial public offering in which there are no selling shareholders) under the Securities Act of 1933, as amended, covering a public offering of the Company's Units or shares, it will notify the holder hereof at least thirty (30) days prior to

each such filing and will include in the Registration Statement (to the extent permitted by applicable regulation), the shares purchased by the holder or purchasable by the holder upon the exercise of the Warrant to the extent requested by the holder hereof. Notwithstanding the foregoing, the number of shares of the holders of the Warrants proposed to be registered thereby shall be reduced pro rata with any other selling shareholder (other than the Company) upon the reasonable request of the managing underwriter of such offering. If the Registration Statement or Offering Statement filed pursuant to such thirty (30) day notice has not become effective within six months following the date such notice is given to the holder hereof, the Company must again notify such holder in the manner provided above.

At any time prior to the expiration of five (5) years from the date hereof, and provided that a registration statement on Form S-3 (or its equivalent) is then available to the Company, and on a one-time basis only, if the holders of 50% or more of the Warrants and/or the Units or shares acquired upon exercise of the Warrants request the registration of the shares on Form S-3 (or its equivalent), the Company shall promptly thereafter use its best efforts to effect the registration under the Securities Act of 1933, as amended, of all such shares which such holders request in writing to be so registered, and in a manner corresponding to the methods of distribution described in such holders' request.

All expenses of any such registrations referred to in this Section 4, except the fees of counsel to such holders and underwriting commissions or discounts, filing fees, and any transfer or other taxes applicable to such shares, shall be borne by the Company.

Upon effectiveness of a Registration Statement which includes shares of Common Stock purchased or purchasable upon the exercise of this Warrant in accordance with a valid demand under this Section 4, the rights under this Warrant of all holders to make another such demand shall terminate. Each purchaser or transferee of a portion of this Warrant is responsible to determine whether his or her demand rights under this paragraph have been terminated by such an exercise. Any Warrants issued upon transfers subsequent to such an exercise shall have all of the demand registration provisions under this Section 4 deleted.

The Company will mail to each record holder, at the last known post office address, written notice of any exercise of the rights granted under this paragraph 4, by certified or registered mail, return receipt requested, and each holder shall have twenty (20) days from the date of deposit of such notice in the U.S. Mail to notify the Company in writing whether such holder wishes to join in such exercise.

The Company will furnish the holder hereof with a reasonable number of copies of any prospectus included in such filings and will amend or supplement the same as required during the period of required use thereof. The Company will maintain, at its expense, the effectiveness

of any Registration Statement or the Offering Statement filed by the Company, whether or not at the request of the holder hereof, for at least six (6) months following the effective date thereof.

In the case of the filing of any Registration Statement, and to the extent permissible under the Securities Act of 1933, as amended, and controlling precedent thereunder, the Company and the holder hereof shall provide cross indemnification agreements to each other in customary scope covering the accuracy and completeness of the information furnished by each.

The holder of the Warrant agrees to cooperate with the Company in the preparation and filing of any such Registration Statement or Offering Statement, and in the furnishing of information concerning the holder for inclusion therein, or in any efforts by the Company to establish that the proposed sale is exempt under the Act as to any proposed distribution.

5. RIGHT TO CONVERT.

(a) The holder of this Warrant shall have the right to require the Company to convert this Warrant (the "CONVERSION RIGHT"), at any time after ________________, 1997 and prior to its expiration, into shares of Common Stock as provided for in this Section 5. Upon exercise of the Conversion Right, the Company shall deliver to the holder (without payment by the holder of any exercise price) that number of shares of Common Stock equal to the quotient obtained by dividing (x) the value of the Warrant at the time the Conversion Right is exercised (determined by subtracting the aggregate exercise price for the Warrant Shares in effect immediately prior to the exercise of the Conversion Right from the aggregate Fair Market Value (as determined below) for the Warrant Shares immediately prior to the exercise of the Conversion Right) by (y) the Fair Market Value of one share of Common Stock immediately prior to the exercise of the Conversion Right.

(b) The Conversion Right may be exercised by the holder, at any time or from time to time, prior to its expiration, on any business day, by delivering a written notice (the "CONVERSION NOTICE") to the Company at the offices of the Company exercising the Conversion Right and specifying (i) the total number of shares of Stock the Warrantholder will purchase pursuant to such conversion, and (ii) a place, and a date not less than five (5) nor more than twenty (20) business days from the date of the Conversion Notice, for the closing of such purchase.

(c) At any closing under Section 5(b) hereof, (i) the holder will surrender the Warrant, (ii) the Company will deliver to the holder a certificate or certificates for the number of shares of Common Stock issuable upon such conversion, together with cash, in lieu of any fraction of a share, and (iii) the Company will deliver to the holder a new Warrant representing the

number of shares, if any, with respect to which the Warrant shall not have been converted.

(d) "FAIR MARKET VALUE" of a share of Common Stock as of a particular date (the "DETERMINATION DATE") shall mean:

(i) If the Company's Common Stock is traded on an exchange or is quoted on The Nasdaq National Market or Small-Cap Market, then the average closing or last sale prices, respectively, reported for the ten (10) business days

immediately preceding the Determination Date.

(ii) If the Company's Common Stock is not traded on an exchange or on The Nasdaq National Market or Small-Cap Market, but is traded in the over-the-counter market, then the average of the closing bid and asked prices reported for the ten (10) business days immediately preceding the Determination Date.

6. NOTICES. The Company shall mail to the registered holder of the Warrant, at his or her last known post office address appearing on the books of the Company, not less than fifteen (15) days prior to the date on which (a) a record will be taken for the purpose of determining the holders of Units entitled to dividends (other than cash dividends) or subscription rights, or (b) a record will be taken (or in lieu thereof, the transfer books will be closed) for the purpose of determining the holders of common stock entitled to notice of and to vote at a meeting of shareholders at which any capital reorganization, reclassification of common stock, consolidation, merger, dissolution, liquidation, winding up or sale of substantially all of the Company's assets shall be considered and acted upon.

7. RESERVATION OF COMMON STOCK. A number of shares of Common Stock sufficient to provide for the exercise of the Warrant and the Units included therein upon the basis herein set forth shall at all times be reserved for the exercise thereof.

8. MISCELLANEOUS. Whenever reference is made herein to the issue or sale of shares of Common Stock, the term "COMMON STOCK" shall include any stock of any class of the Company other than preferred stock that has a fixed limit on dividends and a fixed amount payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company.

The Company will not, by amendment of its Articles of Incorporation or through reorganization, consolidation, merger, dissolution or sale of assets, or by any other voluntary act or deed, avoid or seek to avoid the observance or performance of any of the covenants, stipulations or conditions to be observed or performed hereunder by the Company, but will, at all times in good faith, assist, insofar as it is able, in the carrying out of all provisions hereof and in the taking of all other action which may be necessary in order to protect the rights of the holder hereof against dilution.

Upon written request of the holder of this Warrant, the Company will promptly provide such holder with a then current written list of the names and addresses of all holders of warrants originally issued under the terms of, and concurrent with, this Warrant.

The representations, warranties and agreements herein contained shall survive the exercise of this Warrant. References to the "holder of" include the immediate holder of shares purchased on the exercise of this Warrant, and the word "holder" shall include the plural thereof. This Unit Purchase Warrant shall be interpreted under the laws of the State of Minnesota.

All Units or other securities issued upon the exercise of the Warrant shall be validly issued, fully paid and non-assessable, and the Company will pay all taxes in respect of the issuer thereof.

Notwithstanding anything contained herein to the contrary, the holder

of this Warrant shall not be deemed a stockholder of the Company for any purpose whatsoever until and unless this Warrant is duly exercised.

IN WITNESS WHEREOF, this Warrant has been duly executed by Famous Dave's of America, Inc., this ______ day of ______________, 1996.

FAMOUS DAVE'S OF AMERICA, INC.

By ____
Its ____

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR APPLICABLE STATE SECURITIES LAW. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ASSIGNED OR OTHERWISE DISPOSED OF, AND NO TRANSFER OF THE SECURITIES WILL BE MADE BY THE COMPANY OR ITS TRANSFER AGENT, IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT EXERCISE FORM

To be signed only upon exercise of Warrant.

The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _________________of the Units of Famous Dave's of America, Inc. to which such Warrant relates and herewith makes payment of $__________________ therefor in cash or by certified check, and requests that such shares be issued and be delivered to, ______ ______________, the address for which is set forth below the signature of the undersigned.

Dated: _______________________

____
(Taxpayer's I.D. Number)

____
Signature)

____
(Address)

____

ASSIGNMENT FORM

To be signed only upon authorized transfer of Warrant.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto ____________________________ the right to purchase Units of Famous Dave's of America, Inc. to which the within Warrant relates and appoints ______________________, attorney, to transfer said right on the books of Famous Dave's of America, Inc. with full power of substitution in the premises.

Dated: ________________________

____
(Signature)

____
(Address)

____

CASHLESS EXERCISE FORM
(To be executed upon exercise of Warrant pursuant to Section 5)

The undersigned hereby irrevocably elects a cashless exercise of the right of purchase represented by the within Unit Purchase Warrant for, and to purchase thereunder, ______________________ shares of Common Stock, as provided for in Section 5 therein.

If said number of shares shall not be all the shares purchasable under the within Unit Purchase Warrant, a new Warrant is to be issued in the name of said undersigned for the balance remaining of the shares purchasable thereunder rounded up to the next higher number of shares.

Please issue a certificate or certificates for such Common Stock in the name of, and pay any cash for any fractional shares to:

NAME ____
(Please Print Name)

ADDRESS ____

____

SOCIAL SECURITY NO. ____

SIGNATURE ____

NOTE: The above signature should correspond exactly with the name on the first page of this Unit Purchase Warrant or with the name of the assignee appearing in the assignment form on the preceding page.

EXHIBIT 3.1

STATE OF MINNESOTA

[MINNESOTA STATE SEAL]

DEPARTMENT OF STATE

This is to acknowledge that the items described below have been accepted by the Secretary of State of Minnesota on the date noted. Those documents will be microfilmed and the original will be returned to the submitter within ten days. The microfilm will be available for public inspection at the office of the Secretary of State.

Description of Item	Date Accepted	RI No. NOT VALID UNTIL RI NUMBER IS AFFIXED
Art. of Inc.	3/14/94	038180

Company Name
Diamond Daves of Minneapolis, Inc.

State of Minnesota
Office of the Secretary of State
Corporation Division
180 State Office Building
St. Paul, MN 55155 (612) 296-2803

by: ----------------------------
Evidence of Filing SC-00184-01

ARTICLES OF INCORPORATION

OF

DIAMOND DAVES OF MINNEAPOLIS, INC.

The undersigned hereby creates a corporation under Chapter 302A of the Minnesota Statutes and adopts the following Articles of Incorporation.

ARTICLE 1

NAME

The name of the Corporation is DIAMOND DAVES OF MINNEAPOLIS, INC.

ARTICLE 2

REGISTERED OFFICE

The address of the registered office of the Corporation is 3300 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402-4140 c/o William M. Mower.

ARTICLE 3

CAPITAL

A. The Corporation is authorized to issue one million (1,000,000) shares of capital stock, having a par value of one cent ($.01) per share in the case of common stock, and having a par value as determined by the Board of Directors in the case of preferred stock, to be held, sold and paid for at such times and in such manner as the Board of Directors may from

time to time determine in accordance with the laws of the State of Minnesota.

B. In addition to any and all powers conferred upon the Board of Directors by the laws of the State of Minnesota, the Board of Directors shall have the authority to establish by resolution more than one class or series of shares, either preferred or common, and to fix the relative rights, restrictions and preferences of any such different classes or series, and the authority to issue shares of a class or series to another class or series to effectuate share dividend, splits or conversion of the Corporation's outstanding shares.

C. The Board of Directors shall also have the authority to issue rights to convert any of the Corporation's securities into shares of stock of any class or classes, the authority to issue options to purchase or subscribe for shares of stock of any class or classes, and the authority to issue share purchase or subscription warrants or any other evidence of such option rights which set forth the terms, provisions and conditions thereof, including the price or prices at which such shares may be subscribed for or purchased. Such options, warrants and rights, may be transferable or nontransferable and separable or inseparable from other securities of the Corporation. The Board of Directors is authorized to fix the terms, provisions and conditions of such options, warrants and rights, including the conversion basis or

bases and the option price or prices at which shares may be subscribed for or purchased.

ARTICLE 4

SHAREHOLDER RIGHTS

A. No shareholder of the Corporation shall have any preemptive rights.

B. No shareholder of the Corporation shall have any cumulative voting rights.

ARTICLE 5

INCORPORATOR

The name and address of the incorporator, who is a natural person of full age, is:

William M. Mower
3300 Norwest Center
90 South Seventh Street
Minneapolis, Minnesota 55402

ARTICLE 6

WRITTEN ACTION BY LESS THAN ALL OF THE DIRECTORS

Any action required or permitted to be taken at a Board meeting, other than an action requiring shareholder approval, may be taken by written action of the Board of Directors if signed by the number of directors that would be required to take the same action at a meeting at which all directors were present.

ARTICLE 7

LIMITED LIABILITY OF DIRECTORS

To the fullest extent permitted by law, a director shall have no personal liability to the Corporation or its shareholders for breach of fiduciary duty as a director. Any amendment to or repeal of this Article 7 shall not adversely affect any right or protection of a director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

IN WITNESS WHEREOF, I have signed my name this 14 day of March, 1994.

William M. Mower

William M. Mower, Incorporator

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAR 14 1994
Joan Anderson Growe

SECRETARY OF STATE

State of Minnesota
Office of the Secretary of State

AMENDMENT OF ARTICLES OF INCORPORATION

READ INSTRUCTIONS AT BOTTOM OF PAGE BEFORE COMPLETING THIS FORM

CORPORATE NAME
Diamond Dave's of Minneapolis, Inc.

This amendment is effective on the day it is filed with the Secretary of State, unless you indicate another date, no later than 30 days after filing with the Secretary of State, in this box: / /

The following amendments of articles or modifications to the statutory requirements regulating the above corporation were adopted: (Insert full text of newly amended or modified article(s), indicating which articles(s) is(are) being amended or added. If the full text of the amendment will not fit in the space provided, please do not use this form. Instead, retype the amendment on a separate sheet or sheets using this format.)

ARTICLE I

Name

The name of the corporation is Famous Dave's of Minneapolis, Inc.

This amendment has been approved pursuant to chapter 302A, Minnesota Statutes. I certify that I am authorized to execute this amendment and I further certify that I understand that by signing this amendment, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this amendment under oath.

William M. Mower

(Signature of Authorized Person)
William M. Mower, Attorney

- --

INSTRUCTIONS:

1. Type or print with dark black ink.
2. Filing fee: $35
3. Make check payable to Secretary of State.
4. Mail or bring completed forms to:

Secretary of State
Business Services Division
180 State Office Building
Saint Paul, MN 55155
(612) 296-2803

SC-00175-03 (9/88)

FOR USE BY THE SECRETARY OF STATE

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN 14 1995
Joan Anderson Growe
Secretary of State

[MINNESOTA STATE SEAL]

MINNESOTA SECRETARY OF STATE
AMENDMENT OF ARTICLES OF INCORPORATION

BEFORE COMPLETING THIS FORM, PLEASE READ INSTRUCTIONS LISTED BELOW.

CORPORATE NAME: (List the name of the company prior to any desired name change)

Famous Dave's of Minneapolis, Inc.

- --

This amendment is effective on the day it is filed with the Secretary of State, unless you indicate another date, no later than 30 days after filing with the Secretary of State.

The following amendment(s) of articles regulating the above corporation were adopted: (Insert full text of newly amended article(s) indicating which article(s) is (are) being amended or added.) If the full text of the amendment will not fit in the space provided, attach additional numbered pages. (Total number of pages including this form .)

ARTICLE 1

The name of the corporation is Famous Dave's BAR-B-QUE, Inc.

This amendment has been approved pursuant to Minnesota Statutes chapter 302A or 317A. I certify that I am authorized to execute this amendment and I further certify that I understand that by signing this amendment, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this amendment under oath.

Patricia L. Buffham

(Signature of Authorized Person)

INSTRUCTIONS

1. Type or print with black ink.
2. A Filing Fee of: $35.00, made payable to the Secretary of State.
3. Return completed forms to:

Secretary of State
180 State Office Building
100 Constitution Ave.
St. Paul, MN 55155-1299
(612) 296-2803

FOR OFFICE USE ONLY

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 17 1996

Joan Anderson Growe
SECRETARY OF STATE

08921340 Rev. 8/92

6

4/23

MINNESOTA SECRETARY OF STATE
AMENDMENT OF ARTICLES OF INCORPORATION

BEFORE COMPLETING THIS FORM, PLEASE READ INSTRUCTIONS LISTED BELOW.

CORPORATE NAME: (List the name of the company prior to any desired name change)

Famous Dave's Bar-B-Que, Inc.
- --

This amendment is effective on the day it is filed with the Secretary of State, unless you indicate another date, no later than 30 days after filing with the Secretary of State.

The following amendment(s) of articles regulating the above corporation were adopted: (Insert full text of newly amended article(s) indicating which article(s) is (are) being amended or added.) If the full text of the amendment will not fit in the space provided, attach additional numbered pages. (Total number of pages including this form I.)

ARTICLE I

The name of the Corporation is Famous Dave's of America, Inc.

This amendment has been approved pursuant to Minnesota Statutes chapter 302A or 317A. I certify that I am authorized to execute this amendment and I further certify that I understand that by signing this amendment, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this amendment under oath.

Patricia L. Buffham

(Signature of Authorized Person)
Patricia L. Buffham

INSTRUCTIONS

1. Type or print with black ink.
2. A Filing Fee of: $35.00, made payable to the Secretary of State.
3. Return completed forms to:

Secretary of State
180 State Office Building
100 Constitution Ave.
St. Paul, MN 55155-1299
(612)296-2803

FOR OFFICE USE ONLY

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAR 04 1996

Joan Anderson Growe
Secretary of State

EXHIBIT 3.2

BY-LAWS

OF

DIAMOND DAVES OF MINNEAPOLIS, INC.

ARTICLE 1

OFFICES

1.1 Registered Office. The registered office of the Corporation shall be located within the State of Minnesota as set forth in the Articles of Incorporation. The Board of Directors shall have authority to change the registered office of the Corporation and a statement evidencing any such change shall be filed with the Secretary of State of Minnesota as required by law.

1.2 Offices. The Corporation may have other offices, including its principal business office, either within or without the State of Minnesota.

ARTICLE 2

CORPORATE SEAL

2.1 Corporate Seal. The Board of Directors shall determine whether or not the Corporation will adopt a corporate seal. If a corporate seal is adopted, inscribed on the corporate seal shall be the name of the Corporation and the words "Corporate Seal," and when so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Secretary of the Corporation.

ARTICLE 3

SHAREHOLDERS

3.1 Regular Meetings. Regular meetings of the shareholders shall be held at the Corporation's registered office or at such other place within or without the State of Minnesota as is designated by the Board of Directors. Regular meetings may be held annually or on a less frequent periodic basis, as established by a resolution of the Board of Directors, or may be held on call by the Board of Directors from time to time as and when the Board determines. At each regular meeting, the shareholders shall elect qualified successors for directors who serve for an indefinite term or whose terms have expired or are due to expire within six (6) months after the date of the meeting, and may transact such other business which properly comes before them. Notwithstanding the foregoing, if a regular meeting of the shareholders has not been held for a period of fifteen (15) months, a shareholder or group of shareholders holding three percent (3%) or more of the issued and outstanding voting shares of the Corporation may demand that a regular meeting of the shareholders be held by giving written notice to the President or Treasurer of the Corporation. Within thirty (30) days after receipt of the notice, the Board shall cause a regular meeting of the shareholders to be called and held within ninety (90) days after receipt of the notice.

Any regular meeting held pursuant to such a demand by a shareholder or shareholders shall be held within the county where the principal executive office of the Corporation is located.

3.2 Special Meeting. Special meetings of the shareholders may be called by the President, by a Vice-President in the absence of the President, by the Treasurer, or by the Board of Directors or any two or more members thereof. Special meetings may also be called by one or more shareholders holding ten percent (10%) or more of the issued and outstanding voting shares of the Corporation by delivering to the President or Treasurer a written demand for a special meeting, which demand shall state the purposes of such meeting. Within thirty (30) days after receipt of the written demand, the Board of Directors shall call a special meeting of the shareholders to be held within ninety (90) days after receipt of the written demand. Any special meeting held pursuant to such written demand shall be held within the county where the principal executive office of the Corporation is located.

3.3. Quorum. Business may be transacted at any duly held meeting of the shareholders at which a quorum is present. The holders of a majority of the voting power of the shares entitled to vote at a meeting are a quorum. The shareholders present at the meeting may continue to transact business until adjournment, even though a number of shareholders withdraw leaving less than a quorum. If a quorum is not present at any meeting, those shareholders present have the power to adjourn the meeting from time to time until the requisite number of voting shares are present. The date, time and place of the reconvened meeting shall be announced at the time of adjournment and notice of the reconvened meeting shall be given to all shareholders who were not present at the time of adjournment. Any business which might have been transacted at the meeting which was adjourned may be transacted at the reconvened meeting.

3.4 Voting. At each shareholders' meeting, every shareholder having the right to vote is entitled to vote in person or by proxy. Shareholders have one (1) vote for each share having voting power standing in their name on the books of the Corporation, unless otherwise provided in the Articles of Incorporation, or these By-Laws, or in the terms of the shares. All elections and questions shall be decided by a majority vote of the number of shares entitled to vote and represented at any meeting at which there is a quorum, except as otherwise required by statute, the Articles of Incorporation, these By-Laws, or by agreement among the shareholders.

3.5 Notice of Meeting. Notice of regular or special meetings of the shareholders shall be given by an officer or agent of the Corporation to each shareholder shown on the books of the Corporation to be the holder of record of shares entitled to vote at the meeting. If the notice is to be mailed, then the notice must be mailed to each shareholder at the shareholder's address as shown on the books of the Corporation at least five (5) calendar days prior to the meeting. If the notice is not mailed, then the notice must be given at least forty-eight (48) hours prior to the meeting. The notice must contain the date, time and place of the meeting, and in the case of a special meeting, must also contain a statement of the purpose of the meeting. In no event shall notice be given more than sixty (60) days prior to the meeting. If a plan of merger, exchange, sale or other disposition of all or substantially all of the assets of the Corporation is to be considered at a meeting of shareholders, notice of such meeting shall be given to every shareholder, whether or not entitled to vote, not less than fourteen (14) days prior to the date of such meeting.

3.6 Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxies must be filed with an officer of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

3.7 Closing Transfer Books. The Board of Directors may close the stock transfer books for a period of time which does not exceed sixty (60) days preceding any of the following: the date

of any meeting of shareholders; the payment of dividends; the allotment of rights; or the change, conversion, or exchange of shares.

3.8 Record Date. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date, not exceeding sixty (60) days preceding the date of any of the events described in Section 3.7, as a record date for the determination of which shareholders are entitled (i) to notice of and to vote at any meeting and any meeting subsequent to adjournment, (ii) to receive any dividend or allotment of rights, or (iii) to exercise the rights in respect to any change, conversion, or exchange of shares. If a record date is fixed by the Board of Directors, only those shareholders of record on the record date shall be entitled to receive notice of and to vote at the meeting and any meeting subsequent to adjournment or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date so fixed. If the share transfer books are not closed and no record date is fixed for determination of the shareholders of record, then the date on which notice of the meeting is mailed or the date of adoption of a resolution of the Board of Directors declaring a dividend, allotment of rights, change, conversion or exchange of shares, as the case may be, shall be the record date for such determination.

3.9 Presiding Officer. The President of the Corporation shall preside over all meetings of the shareholders. In the absence of the President, the shareholders may choose any person present to act as presiding officer.

3.10 Written Action by Shareholders. Any action which may be taken at a meeting of the shareholders may be taken without a meeting and notice if a consent in writing, setting forth the action so taken, is signed by all of the shareholders entitled to notice of a meeting for such purpose.

ARTICLE 4

DIRECTORS

4.1 General Powers. The property, affairs and business of the Corporation shall be managed by the Board of Directors which shall initially consist of Two(2) directors. In addition to the powers and authorities by these By-Laws expressly conferred upon it, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Articles of Incorporation or these By-Laws directed or required to be exercised or done by the shareholders.

4.2 Number. The number of directors may be either increased or decreased by resolution of the shareholders at their regular meetings or at a special meeting called for that purpose. The number of directors may be increased by resolution adopted by the affirmative vote of a majority of the Board of Directors. Any newly created directorships established by the Board of Directors shall be filled by a majority vote of the directors serving at the time of increase.

4.3 Qualifications and Term of Office. Directors need not be shareholders or residents of the State of Minnesota. The Board of Directors shall be elected by the shareholders at their regular meeting and at any special shareholders' meeting called for that purpose. A director shall hold office until the annual meeting for the year in which his or her term expires and until the director's successor is elected and qualifies, or until the earlier death, resignation, removal, or disqualification of the director.

4.4 Quorum. A majority of the Board of Directors constitutes a quorum for the transaction of business; provided, however, that if any vacancies exist by reason of death,

resignation, or otherwise, a majority of the remaining directors constitutes a quorum. If less than a quorum is present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

4.5 Action of Directors. The acts of a majority of the directors present at a meeting at which a quorum is present are the acts of the Board of Directors.

4.6 Meetings. Meetings of the Board of Directors may be held from time to time at any place, within or without the State of Minnesota, that the Board of Directors may select. If the Board of Directors fails to select a place for a meeting, the meeting shall be held at the principal executive office of the Corporation. The President or any director may call a meeting of the Board of Directors by giving notice to all directors of the date, time and place of the meeting. If the notice is to be mailed, then the notice must be mailed to each director at least five (5) calendar days prior to the meeting. If the notice is not to be mailed, then the notice must be given at least forty-eight (48) hours prior to the meeting. If the date, time and place of the meeting of the Board of Directors has been announced at a previous meeting of the Board of Directors, no additional notice of such meeting is required, except that notice shall be given to all directors who were not present at the previous meeting. Notice of the meeting of the Board of Directors need not state the purpose of the meeting. A director may orally or in writing waive notice of the meeting. Attendance by a director at a meeting of the Board of Directors also constitutes a waiver of notice of such meeting, unless the director objects at the beginning of the meeting to the transaction of business because the meeting allegedly is not lawfully called or convened and such director does not participate thereafter in the meeting.

4.7 Meeting by Electronic Communications. A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes meeting of the Board of Directors if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting, and if the same notice is given of the conference as would be required for a Board of Directors meeting under these By-Laws. In any Board of Directors meeting, a director may participate by any means of communication through which the director, other directors so participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting.

4.8 Compensation. Directors may receive such compensation as may be determined from time to time by resolution of the Board of Directors.

4.9 Committee. By the affirmative vote of a majority of the directors,

the Board of Directors may establish a committee or committees having the authority of the Board of Directors in the management of the business of the Corporation to the extent provided in the resolution adopted by the Board of Directors. A committee shall consist of one or more persons, who need not be directors, that have been appointed by affirmative vote of a majority of the directors present. A majority of the members of the committee present at any meeting of the committee is a quorum for the transaction of business, unless a larger or smaller proportion or number is provided in the resolution approved by the Board of Directors. Minutes of any meetings of committees created by the Board of Directors shall be available upon request to members of the committee and to any director.

4.10 Action by Absent Director. A director may give advance written consent or opposition to a proposal to be acted upon at a Board of Directors meeting by giving a written statement to the President, Treasurer, or any director which sets forth the proposal to be voted on and contains a statement of the director's voting preference with regard to the proposal. An advance written statement does not constitute presence of the director for purposes of determining a quorum, but the advance written statement shall be counted in the vote on the subject proposal provided that the proposal acted on at the meeting is substantially the same or has substantially the same effect

as the proposal set forth in the advance written statement. The advance written statement by a director on a proposal shall be included in the records of the Board of Directors' action on the proposal.

4.11 Removal of Directors by Board of Directors. Any director who has been elected by the Board of Directors to fill a vacancy on the Board of Directors, or to fill a directorship created by action of the Board of Directors, and who has not subsequently been reelected by the shareholders, may be removed by a majority vote of all directors constituting the Board, exclusive of the director whose removal is proposed.

4.12 Vacancies. Any vacancy on the Board of Directors may be filled by vote of the remaining directors, even though less than a quorum.

4.13 Written Action by Less than All of the Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting and notice thereof if a consent in writing setting forth the action taken is signed by the number of directors required to take the same action at a duly held meeting of the Board of Directors at which all of the directors are present. If a written action is signed by less than all the directors, any director not signing the action will be notified as soon as reasonably possible of the content of the action and the effective date of the action. Failure to provide the notice does not invalidate the written action. A director who does not sign or consent to the written action has no liability for the action or actions so taken.

4.14 Dissent from Action. A director of the Corporation who is present at a meeting of the Board of Directors at which any action is taken shall be presumed to have assented to the action taken unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter, or unless the director votes against the action at the meeting, or is prohibited from voting on the action.

ARTICLE 5

OFFICERS

5.1 Election of Officers. The Board of Directors shall from time to time, elect a Chief Executive Officer, who may also be designated as President, and a Chief Financial Officer, who may also be designated as Treasurer. The Board of Directors may elect, but shall not be required to elect, a Secretary, one or more Vice Presidents, and a Chairman of the Board. In addition, the Board of Directors may elect such other officers and agents as it may deem necessary. The officers shall exercise such powers and perform such duties as are prescribed by applicable statutes, the Articles of Incorporation, the By-Laws, or as may be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.

5.2 Term of Office. The officers shall hold office until their successors are elected and qualify; provided, however, that any officer may be removed with or without cause by the affirmative vote of a majority of the directors present at a Board of Directors meeting at which a quorum is present.

5.3 Chief Executive Officer. The Chief Executive Officer shall:

(a) Have general active management of the business of the Corporation;

(b) When present, preside at all meetings of the shareholders;

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(c) When present, and if there is not a Chairman of the Board, preside at all meetings of the Board of Directors;

(d) See that all orders and resolutions of the Board of Directors are carried into effect;

(e) Sign and deliver in the name of the Corporation any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles of Incorporation or By-Laws or by the Board of Directors to some other officer or agent of the Corporation;

(f) Maintain records of and, whenever necessary, certify all proceedings of the Board of Directors and the shareholders; and

(g) Perform all other duties prescribed by the Board of Directors.

All other officers shall be subject to the direction and authority of the Chief Executive Officer.

5.4 Chief Financial Officer. The Chief Financial Officer shall:

(a) Keep accurate financial records for the Corporation;

(b) Deposit all money, drafts and checks in the name of and to the credit of the Corporation in the banks and depositories designated by the Board of Directors;

(c) Endorse for deposit all notes, checks and drafts received by the Corporation as ordered by the Board of Directors, making proper vouchers therefor;

(d) Disburse corporate funds and issue checks and drafts in the name of the Corporation, as ordered by the Board of Directors;

(e) Render to the Chief Executive Officer and the Board of Directors, whenever requested, an account of all transactions by the Chief Financial Officer and of the financial condition of the Corporation; and

(f) Perform all other duties prescribed by the Board of Directors or by the Chief Executive Officer.

5.5 Vice President. Each Vice President, if any, shall have such powers and perform such duties as may be specified in these By-Laws or prescribed by the Board of Directors. If the Chief Executive Officer is absent or disabled, the Vice President shall succeed to the President's powers and duties. If there are two or more Vice Presidents, the order of succession shall be determined by seniority of election or as otherwise prescribed by the Board of Directors.

5.6 Secretary. The Secretary, if any, shall attend all meetings of the shareholders and the Board of Directors. The Secretary shall act as clerk and shall record all the proceedings of the meetings in the minute book of the Corporation and shall give proper notice of meetings of shareholders and the Board of Directors. The Secretary shall keep the seal of the Corporation, if any, and shall affix the seal to any instrument requiring it and shall attest the seal, and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

5.7 Chairman of the Board. The Chairman of the Board, if any,

shall preside at all meetings of the Board of Directors and shall perform such other duties as may from time to time be assigned by the Board of Directors.

5.8 Assistant Officers. In the event of absence or disability of any Vice President, Secretary or the Chief Financial Officer, the assistant to such officer, if any, shall succeed to the powers and duties of the absent officer until the principal officer resumes his duties or a replacement is elected by the Board of Directors. If there are two or more assistants, the order of succession shall be determined through seniority by the order in which elected or as otherwise prescribed by the Board of Directors. The assistant officers shall exercise such other powers and duties as may be delegated to them from time to time by the Board of Directors or the principal officer under whom they serve, but at all times shall remain subordinate to the principal officers they are designated to assist.

ARTICLE 6

INDEMNIFICATION

The Corporation shall indemnify its officers, directors, employees and agents to the full extent permitted by the laws of the State of Minnesota, as now in effect, or as the same may be hereafter modified.

ARTICLE 7

SHARES AND THEIR TRANSFER

7.1 Certificates of Shares. Unless the Board of Directors has provided that the Corporation's shares are to be uncertified, every owner of shares of the Corporation shall be entitled to a certificate, to be in such form as the Board of Directors prescribes, certifying the number of shares owned by such shareholder. The certificates for shares shall be numbered in the order in which they are issued and shall be signed in the name of the Corporation by the Chief Executive Officer or a Vice President and by the Secretary or Assistant Secretary, or the Chief Financial Officer, or any other officer of the Corporation authorized by the Board of Directors and shall have the corporate seal, if any, affixed thereto. A record shall be kept of the name of the person owning the shares represented by each certificate, the respective issue dated thereof, and in the case of cancellation, the respective dates of cancellation. Except as provided in Section 7.5 of this Article 7, every certificate surrendered to the Corporation for exchange or transfer shall be cancelled, and no other certificate shall be issued in exchange for any existing certificate until such existing certificate is cancelled.

7.2 Uncertificated Shares. The Board of Directors by a majority vote of directors present at a duly called meeting may provide that any or all shares of classes or series of shares are to be uncertificated shares. In that case, any shareholder who is issued uncertificated shares shall be provided with the information legally required to be disclosed in a certificate.

7.3 Issuance of Shares. The Board of Directors is authorized to issue shares of the capital stock of the Corporation up to the number of shares

authorized by the Articles of Incorporation. Shares may be issued for any consideration (including without limitation, money or other tangible or intangible property received by the Corporation or to be received by the Corporation under a written agreement, or services rendered to the Corporation or to be rendered to the Corporation under a written agreement) which is authorized by a resolution approved by the affirmative vote of a majority of the directors present, valuing all nonmonetary consideration and establishing a price in money or other consideration, or a minimum price, or a general formula or establishing a price in money or other consideration, or a minimum price, or a general formula or method by which the price will be determined. Upon authorization by resolution approved by the affirmative vote of a majority of the directors present, the Corporation may, without any new or

additional consideration, issue shares of its authorized and unissued capital stock in exchange for or in conversion of its outstanding shares, or issue its own shares pro rata to its shareholders or the shareholders of one or more classes or series, to effectuate share dividends or splits, including reverse share splits. No shares of a class or series shall be issued to the holder of the shares of another class or series, unless issuance is either expressly provided for in the Articles of Incorporation or is approved at a meeting by the affirmative vote of the holders of a majority of the voting power of all shares of the same class or series as the shares to be issued.

7.4 Transfer of Shares. Transfer of shares on the books of the Corporation may be authorized only by the shareholder named in the certificates or the shareholder's representative or duly authorized attorney-in-fact and only upon surrender for cancellation of the certificate for such shares. The shareholder in whose name shares stand on the books of the Corporation shall be considered the owner thereof for all purposes regarding the Corporation.

7.5 Lost Certificates. Any shareholder claiming a certificate for shares has been lost or destroyed shall make an affidavit or affirmation of that fact in such form as the Board of Directors may require and shall, if the directors so require, give the Corporation a bond of indemnity in form and with one or more sureties satisfactory to the Board of Directors and in an amount determined by the Board of Directors, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of the certificate. A new certificate may then be issued in the same tenor for the same number of shares as the one alleged to have been lost or destroyed.

7.6 Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents or transfer clerks and one or more registrars and may require all certificates for shares to bear the signature or signatures of any of them.

7.7 Facsimile Signature. When any certificate is manually signed by a transfer agent, a transfer clerk, or a registrar appointed by the Board of Directors to perform such duties, a facsimile or engraved signature of the officers and facsimile corporate seal, if any, may be inscribed on the certificate in lieu of the actual signatures and seal.

ARTICLE 8

FINANCIAL AND PROPERTY MANAGEMENT

8.1 Checks. All checks, drafts, other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the President or Treasurer, or any other officer or officers, agent or agents of the Corporation, as may from time to time be determined by resolution of the Board of Directors.

8.2 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

8.3 Voting Securities Held by Corporation. The President, or other officer or agent designated by the Board of Directors, shall have full power and authority on behalf of the Corporation to attend, act at, and vote at any meeting of security or interest holders of other corporations or entities in which the Corporation may hold securities or interests. At the meeting, the President or other designated agent shall possess and exercise any and all rights and powers incident to the ownership of the securities or interest which the Corporation holds.

ARTICLE 9

AMENDMENTS

The Board of Directors of the Corporation is expressly authorized to make By-Laws of the Corporation and from time to time to adopt, amend or repeal By-Laws so made to the extent and in the manner prescribed in the Minnesota Statutes. The Board of Directors shall not adopt, amend, or repeal a By-Law fixing a quorum for meetings of shareholders, prescribing procedures for removing directors or filling vacancies in the Board of Directors, or fixing the number of directors or their classifications, qualifications, or terms of office, but may adopt or amend a By-Law to increase the number of directors. The authority in the Board of Directors is subject to the power of the voting shareholders to adopt, change or repeal the By-Laws by a vote of shareholders holding a majority of the shares entitled to vote and present or represented at any regular meeting or special meeting called for that purpose.

Date of Adoption: March 14, 1994

Kathryn W. Anderson

Kathryn W. Anderson, Secretary

EXHIBIT 10.1

LINDEN HILLS SITE

LEASE AGREEMENT

This Lease is made effective January 1, 1996, by S&D Land Holdings, Inc., a Minnesota corporation ("Landlord"), and Famous Dave's of Minneapolis, Inc., a Minnesota corporation ("Tenant").

RECITALS:

A. S&D Land Holdings, Inc. ("S&D") is the fee owner of the real estate legally described as the South 24 feet of Lot 11 and Lots 12 and 13, Block 22, First Division of Remington Park, ("Property") which Property is located in Hennepin County, Minnesota.

B. A restaurant building and parking lot ("Improvements") are located upon the Property (together the Property and Improvements are referred to as "Premises").

C. Landlord desires to lease the Premises to Tenant and Tenant desires to lease the Premises from Landlord.

NOW, THEREFORE, the parties agree as follows:

1. Lease Agreement. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord subject to the terms and conditions contained herein.

2. Term. The term of this Lease shall commence January 1, 1996 ("Commencement Date") and, unless earlier terminated or extended as provided herein, shall terminate on December 31, 2005 ("Initial Term").

3. Extended Term. Tenant shall have the option to extend the term of this Lease for two terms of five (5) years ("Extended Term") by giving Landlord written notice not later than (60) days prior to the expiration of the Initial Term of this Lease so long as Tenant is not in default in the performance of any covenant, agreement or condition hereunder. If Tenant fails to give such 60 day written notice, it shall be deemed to have waived its right to the Extended Terms and shall vacate the Premises at the expiration of the Initial Term.

4. Rent. Tenant will pay rent of $4,066.66 per month ("Rent") to Landlord commencing on the Commencement Date and payable in advance on the first day of each month thereafter during the first Lease year. Rent shall be increased on January 1, 1997 and each succeeding January 1st thereafter until the expiration of the Initial Term or any Extended Term according to the following computation:

> Each January 1st, Rent for such calendar year will be increased (but not decreased) by the percentage difference between the Consumer Price Index published by the Bureau of Labor Statistics of the United

> States Department of Labor, U.S. City Average, All items and Major Group Figures for Urban Wage Earners and Clerical Workers (1982-84=100) ("CPI") for the preceding month of December and the CPI for the base year. For purposes of this Lease, the base year is 1995 ("Base Year") and the price index for the Base Year shall mean the average of the monthly indexes for each of the twelve months (12) of the Base Year. In no event should the Rent payable in any year be reduced

during the next subsequent year due to a decrease in the CPI.

5. Additional Rent. Tenant shall pay before penalty attaches, all costs of maintenance, repairs, utilities, real estate and any other taxes, insurance and any and all other expenses necessary in connection with the operation or maintenance of the Premises ("Additional Rent").

6. Use.

a. Tenant may use and occupy the Premises solely for restaurant/entertainment purposes and for no other purpose unless Tenant has first obtained Landlord's written consent. Tenant shall not use or occupy the Premises for any unlawful purpose, and will comply with all present and future laws, statutes, ordinances, orders, rules, codes, regulations, decrees and requirements of all governmental units (including any agency, department, commission, board, bureau or subdivision thereof) having jurisdiction over the Premises (collectively "Legal Requirements").

b. Landlord, its agents, contractors or employees may enter the Premises at reasonable hours to inspect the Premises and at any time in response to an emergency.

7. Assignment and Subletting.

a. There shall be no Assignment or Subletting of the Premises by Tenant without in each case, obtaining the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion.

b. Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder.

8. Maintenance and Repair.

a. Tenant shall, at all time during the term of this Lease, at its sole cost and expense, keep and maintain the Premises (including without limitation all Improvements, fixtures, and equipment on the Premises) in good order, repair and condition, and will make all repairs and replacements including, but not limited to heating, ventilating and air conditioning systems, structural components of the Improvements, down spouts, fire sprinkler system, dock bumpers, lawn maintenance, pest control and extermination, and trash pick-up and removal. Tenant shall repair and

pay for any destruction caused by any act or omission of Tenant or Tenant's agents, employees, invitees, licensees or visitors, but shall not be obligated to pay for destruction to the Premises caused by the negligence of Landlord, its agents or employees.

b. Tenant agrees to maintain, at Tenant's sole cost and expense all improvements, fixtures and equipment installed in the Premises; to use the Premises in a prudent and orderly manner; to suffer no waste or injury to the Premises or any improvements or fixtures therein; and at the expiration or other termination of this Lease, to surrender the same with all improvements in the same order and condition in which they were on the Commencement Date, or in such better condition as they may thereafter be put, except for ordinary wear and tear and destruction by insured casualty.

c. In the event Tenant fails to make the repairs or maintain the Premises as required hereunder, Landlord may make such repairs or perform such maintenance items at the expense of Tenant which expense shall be

collected as Additional Rent.

9. Alterations; Signs; Equipment.

a. Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises without first obtaining the prior written consent of Landlord which consent shall not be unreasonably withheld or delayed. All alterations, decorations, additions or improvements shall be made in accordance with all Legal Requirements and insurance guidelines and shall be performed in a good and workmanlike manner by contractors approved by Landlord.

b. Upon completion of any alterations, decorations, additions or improvements, Tenant shall deliver to Landlord evidence of payment, contractors' affidavits and full and final lien waivers for all labor, services, or materials performed or supplied in connection with such alteration, decoration, addition or improvement. Tenant shall indemnify, defend (at Landlord's request and with counsel approved by Landlord) and hold Landlord harmless from and against all losses, costs, damages, claims, liabilities, causes of action and expenses (including attorneys' fees and disbursements, whether suit is commenced or not) arising out of or relating to any alterations, decorations, additions or improvements that Tenant or any of its contractors make to the Premises, including any occasioned by the filing of any mechanic's, material supplier's, construction or other liens or claims (and all costs or expenses associated therewith) asserted, filed or arising out of any such work. Without limiting the generality of the foregoing, Tenant shall repair or cause to be repaired at its expense all damage caused by any of its contractors, subcontractors or their employees or agents. Tenant shall reimburse Landlord for any costs incurred by Landlord to repair any damage caused by any of Tenant's contractors. Tenant shall also reimburse Landlord upon demand for any costs Landlord may incur to have an engineer review all mechanical, structural, electrical, plumbing and life safety systems installed by any of Tenant's contractors.

c. All alterations, decorations, additions or improvements in or to the Premises made by Tenant shall become the property of Landlord upon the expiration or termination of this

Lease and shall remain upon and be surrendered with the Premises as a part thereof without disturbance or injury, unless Landlord requires specific items thereof to be removed by Tenant at Tenant's sole cost and expense, in which event Tenant shall remove the same prior to the expiration or termination of this Lease and shall repair any damage caused thereby.

d. Tenant shall not place or maintain any sign, advertisement or notice on any part of the outside of the Premises or any area visible from outside the Premises, without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All signage approved by Landlord shall be in conformance with all Legal Requirements.

10. Casualty and Insurance.

a. Substantial Destruction. If the Premises should be totally destroyed by fire or other casualty so that rebuilding cannot reasonably be completed within ninety days after such destruction, Tenant's obligations to pay Rent and Additional Rent shall abate from the date of such destruction and either Landlord or Tenant shall have the right to terminate this Lease by giving written notice thereof to each other within thirty (30) days after the date of such destruction.

b. Partial Destruction. If the Premises should be partially damaged by fire or other casualty, and rebuilding or repairs can reasonably be completed within ninety days from the date of the destruction (without taking into account the availability of funds or insurance proceeds), this Lease shall not terminate, and Tenant shall at its sole risk and expense proceed with reasonable diligence to rebuild or repair the building or other improvements to substantially the same condition in which they existed prior to the destruction. There shall be no abatement of Rent or Additional Rent following such destruction. In the event that Tenant fails to complete the necessary repairs or rebuilding within one hundred eighty (180) days from the date of the destruction (force majeure excepted), Landlord may at its option terminate this Lease by delivering written notice of termination to Tenant, whereupon all rights and obligations under this Lease shall cease to exist.

c. Insurance. Tenant shall maintain at its expense standard fire and extended coverage, or "all risk" policy of insurance covering one hundred percent (100%) replacement cost on (i) the Premises, (ii) all of its personal property, including removable trade fixtures, located in the Premises and (ii) all of the Improvements and any improvements (including fixtures) made by, for or on behalf of Tenant. Landlord shall be named as an additional loss payee with respect to the insurance described herein.

Tenant shall maintain commercial general liability occurrence policy insurance with the premiums thereon fully paid on or before the due dates which affords minimum protection (which may be affected by primary and/or excess coverage) of not less than $2,000,000 combined single limit provided Tenant shall carry such greater limits of coverage as Landlord may deem reasonable from time to time. Landlord shall be named as an additional insured on Tenant's policy. Tenant shall deliver to Landlord certificates evidencing maintenance of the insurance required herein.

d. Insurance Carrier. Any insurance required under this Section shall be issued by a company authorized to do business in the State of Minnesota and having an A.M. Best & Company, Inc. rating of A or higher and a financial size category of not less than X and shall require thirty (30) days advance notice to Landlord before cancellation or alteration. Tenant shall deliver to Landlord certificates evidencing the insurance required herein.

e. Waiver of Subrogation. Landlord and Tenant each hereby waive and release each other from any loss or damages arising from any cause covered by insurance against each other, their agents, officers and employees, by any reason, regardless of cause or origin, including the negligence or willful misconduct of Landlord or Tenant and their agents, officers and employees. Tenant agrees to immediately give its insurance company which has issued policies of insurance covering all risk of direct physical loss, written notice of the terms of the mutual waivers contained in this section and to have the insurance policy properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers.

11. Condemnation.

a. Total Taking. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of that right (in either case a "taking"), all of the Premises are taken or if so much of the Premises are taken that the Premises (even if the restorations described in subparagraph (b) were to be made) cannot be used by Tenant for the purposes for which they were used immediately before the taking, this Lease will end on the earlier of the vesting of title to the Premises in the

condemning authority, or the taking of possession of the Premises by the condemning authority (in either case the "Ending Date"). If this Lease ends according to this subparagraph (a), prepaid rent will be appropriately prorated to the Ending Date. The award in a taking subject to this subparagraph (a) will be allocated according to subparagraph (d).

b. Partial Taking. If, after a taking, so much of the Premises remains that the Premises can be used for substantially the same purposes for which they were used immediately before the taking, (i) this Lease will end on the Ending Date as to the part of the Premises that is taken, (ii) prepaid rent will be appropriately allocated to the part of the Premises that is taken and prorated to the Ending Date, (iii) beginning on the day after the Ending Date, Rent for so much of the Premises as remains will be reduced in the proportion of the floor area of the building remaining after the taking to the floor area of the building before the taking, (iv) at its cost, Tenant will restore so much of the Premises as remains to a sound architectural unit substantially suitable for the purposes for which they were used immediately before the taking, using good workmanship and new first class materials, all according to Section 9, (v) upon the completion of restoration according to clause (iv), Landlord will pay Tenant the lesser of the net award made to Landlord on account of the taking (after deducting from the total award, attorneys', appraisers' and other costs incurred in connection with obtaining the award, and amounts paid to the holders of mortgages affecting the Premises) or Tenant's actual out-of-pocket cost of restoring the Premises, and (vi) Landlord will keep the balance of the net award.

c. Tenant's Award. In connection with any taking subject to subparagraph (a) or (b), Tenant may prosecute its own claim by separate proceedings against the condemning authority for damages legally due to it (such as the loss of fixtures that Tenant was entitled to remove, and moving expenses) only so long as Tenant's award does not diminish or otherwise adversely affect Landlord's award.

d. Allocation of an Award for a Total Taking. If this Lease ends according to subparagraph (a), the condemnation award will be paid in the order in this subparagraph to the extent it is sufficient:

i. First, Landlord will be reimbursed for its attorneys' fees, appraisal fees, and other costs incurred in prosecuting the claim for an award;

ii. Second, Landlord will be paid for lost Rent and the value of the reversion (excluding any future Extended Terms) as of the Ending Date;

iii. Third, Tenant will be paid its adjusted book value as of the date of the taking of its improvements (excluding trade fixtures) made to the Premises. In computing its adjusted book value, improvements will be conclusively presumed to have been depreciated or amortized for federal income tax purposes over their useful lives with a reasonable salvage value;

iv. Fourth, the balance will be divided equally between Landlord and Tenant.

12. Default.

a. Any one of the following events shall constitute an event of default ("Event of Default"):

i. Tenant shall fail to pay any installment of Rent and/or Additional Rent as herein provided, and such default shall continue for a period of five (5) days after notice from Landlord;

ii. Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for thirty (30) days after notice from Landlord; provided, however, that if the nature of such default is such that Tenant can cure the default, but not within thirty (30) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences to cure the default within said thirty (30) day period and thereafter diligently and continuously prosecutes the curing of the default to completion with such additional thirty (30) day period, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises;

iii. Tenant shall fail to commence occupancy of the Premises promptly upon the Commencement Date or shall vacate or abandon the Premises or any portion thereof at any time during the Initial Term or any Extended Terms thereof; or

iv. If (1) the interest of Tenant under this Lease shall be levied upon under execution or other legal process, (2) any petition shall be filed by or against Tenant to declare Tenant bankrupt or to delay, reduce or modify Tenant's debts or obligations, (3) Tenant shall be declared insolvent according to law, or (4) any assignment of Tenant's property shall be made for the benefit of creditors, or a receiver or trustee is appointed for Tenant or its property (provided that no such levy, execution, legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation, service or filing).

v. If Tenant is a partnership or other entity and Tenant shall be dissolved or otherwise liquidated, except in connection with a merger, consolidation or other reorganization resulting in continuation of Tenant's business substantially as previously conducted, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon, at Landlord's option, may have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity.

b. If an Event of Default shall have occurred and be continuing:

i. Landlord may terminate this Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises (including attorneys' fees, disbursements of counsel and any costs of suit), (ii) the unpaid Rent earned at the time of termination, plus interest thereon at the Interest Rate, (iii) the present value (discounted at the rate published from time to time as the discount rate for the Federal Reserve Bank of Minneapolis) of the balance of the Rent and/or Additional Rent for the remainder of the Term less the present value (discounted at the same rate) of the amount Tenant reasonably demonstrates that Landlord would in all likelihood receive from leasing the Premises to another tenant for said period, taking into account the cost of reletting, the then-current market conditions, the time the Premises was vacant and other similar costs, and (iv) any other sum of money and damages owed by Tenant to Landlord.

ii. Landlord may terminate Tenant's right of possession (without terminating this Lease) and may repossess the Premises by unlawful detainer suit or otherwise, without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant and without terminating this Lease, in which event Landlord may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting Landlord is authorized to decorate or to make any repairs, changes, alterations or additions to the Premises as may be reasonably necessary or desirable in Landlord's judgment, and (i) if Landlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such

reletting (after first deducting therefrom, for retention by Landlord), the unpaid Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the Interest Rate, the cost of recovering possession (including attorneys' fees, disbursements of counsel and any costs of suit), all of the costs and expenses of such decorations, repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the rent accruing therefrom) to satisfy the Rent provided for in this Lease to be paid, then (i) Tenant shall pay to Landlord as damages if the Premises are not relet, a sum equal to the amount of the Rent reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and any costs of suit), the unpaid Rent earned at the time of repossession plus interest thereon at the Interest Rate, and the costs incurred in any attempt by Landlord to relet the Premises, or (ii) if the Premises have been relet, the Tenant shall satisfy and pay any such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section 12 from time to time. No delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord, nor shall such reletting be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

c. In the event of a breach by Tenant of any of the agreements, conditions, covenants or terms hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnities or reimbursements are herein provided. The rights and remedies given to Landlord in this Lease are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others.

d. In the interest of minimizing the time and expense of any litigation between the parties hereto, Landlord and Tenant each hereby do waive the right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy.

e. In addition to all other remedies of Landlord, Landlord shall be entitled to reimbursement upon demand of all attorneys' fees and disbursements of counsel incurred by Landlord in connection with any Event of Default, whether suit is initiated or not.

f. Landlord shall in no event be considered to be in default of Landlord's obligations hereunder until the expiration of a reasonable time after notice of default from Tenant.

13. Landlord's Right to Cure Defaults; Late Payments.

If Tenant defaults in the making of any payment, or in the doing of any act herein required to be made or done by Tenant, or does or suffers any act prohibited herein, then Landlord may, but shall not be required to, make such payment or do such act, or correct any damage caused by such prohibited act and enter the Premises as appropriate in connection therewith. Tenant shall reimburse Landlord on demand for all costs and expenses incurred by Landlord in curing any such default plus a charge of ten percent (10%) of the amount of such costs and expenses, together with interest thereon at the Interest Rate from the date such sums are incurred by Landlord. Notwithstanding the foregoing, the making of any such payment or the doing of any such act by Landlord shall not operate to cure such default or to estop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. If any installment of Rent is not paid by Tenant when due and payable: (i) a one-time late charge in the amount of five percent (5%) of the delinquent installment shall become immediately due and payable as compensation to Landlord for administrative costs; and (ii) the unpaid balance due Landlord shall bear interest at the Interest Rate from the date such installment became due and payable to the date of payment thereof by Tenant, and such interest shall constitute Additional Rent hereunder which shall be immediately due and payable.

14. Covenant of Quiet Enjoyment. Subject to other terms of this Lease, if Tenant shall pay the rent and comply with the terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the Term hereby created, freely, peaceably and quietly occupy and enjoy the full possession of the Premises, provided Landlord shall not be liable for any breach of such covenants resulting from the actions or inaction of the Landlord.

15. Indemnification, Waiver and Release.

a. Indemnification. Tenant shall indemnify and hold Landlord, its officers, directors, shareholders, agents and employees harmless from and against any and all demands, claims, fines, damages, losses, liabilities, liens, judgments and expenses (including, without limitation, attorneys' fees and court costs) incurred in connection with or arising from: (i) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (ii) any activity, work or thing done or permitted or suffered by Tenant to be done in or about the Premises; (iii) any acts, omissions or negligence of Tenant or any person claiming under Tenant or the contractors, agents, employees, invitees or visitors of Tenant or any such person; (iv) any breach, violation or nonperformance by Tenant, any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant, (v) any injury or damage to the person, property or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Tenant; or (vi) any actions taken by Landlord to enforce the foregoing right of indemnification against Tenant, except if any of the above-listed events are the result of the gross negligence or willful misconduct of Landlord, its directors, officers, shareholders, agents or employees. If any action or proceeding is brought against Landlord, its officers, shareholders, agents or employees by reason of any such claim, Tenant, upon notice from Landlord, shall defend the claim at Tenant's expense with counsel reasonably satisfactory to Landlord.

b. Waiver and Release. Tenant waives and releases all claims against Landlord, its officers, shareholders, agents and employees with respect to all matters arising out of Tenant's use and occupancy of the Premises, except if the result of the gross negligence or wilful misconduct of Landlord, its directors, officers, shareholders, agents or employees.

16. Mutual Estoppel. Either party may request from the other party, an estoppel certificate to be executed in recordable form and to any person designated in a written request which (a) ratifies this Lease; (b) states the commencement and termination dates; and (c) certifies (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated), (ii) that all conditions under this Lease to be performed have been satisfied (stating exceptions, if any), (iii) that no defenses or offsets against the enforcement of this Lease exist (or stating those claimed): (iv) as to advance Rent, if any, paid by Tenant, (v) the date to which Rent has been paid, (vi) the amount of security deposited with Landlord, and such other information as may reasonably be requested. Persons receiving such estoppel certificates shall be entitled to rely upon them.

17. Hazardous Waste. Tenant shall not, without the prior written consent of Landlord, cause or permit, knowingly or unknowingly, any Hazardous Material (hereinafter defined) to be brought or remain upon, kept, used, discharged, leaked, or emitted in or about, or treated at the Premises. As used in this Lease, "Hazardous Material(s)" shall mean any hazardous, toxic or radioactive substance, material, matter or waste which is or becomes regulated by any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement, and shall include asbestos, petroleum products and the terms "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended 42 U.S.C. Section 9601 et seq. ("CERCLA"), and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"). To obtain Landlord's consent, Tenant shall prepare and "Environmental Audit" for Landlord's review. Such Environmental Audit shall list: (1) the name(s) of each Hazardous Material and a Material Safety Data Sheet (MSDS) as required by the Occupational Safety and Health Act; (2) the volume proposed to be used, stored and/or treated at the Premises; (3) the purpose of such Hazardous Material; (4) the proposed on-premises storage location(s); (5) the name(s) of the proposed off-premises disposal entity; and (6) an emergency preparedness plan in the event of a release. Additionally, the Environmental Audit shall include copies of all required federal, state, and local permits concerning or related to the proposed use, storage, or treatment of any Hazardous Material(s) at the Premises. Tenant shall submit a new Environmental Audit whenever it proposes to use, store, or treat a new Hazardous Material at the Premises or when the volume of existing Hazardous Materials to be used, stored, or treated at the Premises expands by ten percent (10%) during any thirty (30) day period. If Landlord, in its reasonable judgment, finds the Environmental Audit acceptable, then Landlord shall deliver to Tenant Landlord's written consent. Notwithstanding such consent, Landlord may revoke its consent upon: (1) Tenant's failure to remain in full compliance with applicable environmental permits and/or any other requirements under any federal, state, or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement (including but not limited to CERCLA and RCRA) related to environmental safety, human health, or employee safety; (2) the Tenant's business

operations pose or potentially pose a human health risk to other tenants; or (3) the Tenant expands its use, storage, or treatment of any Hazardous Material(s) in a manner inconsistent with the safe operation of a shopping center. Should Landlord consent in writing to Tenant bringing, using, storing or treating any Hazardous Material(s) in or upon the Premises, Tenant shall strictly obey and adhere to any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements (including but not limited to CERCLA and RCRA) which in any way regulate, govern or impact Tenant's possession, use, storage, treatment or disposal of said Hazardous Material(s). In addition, Tenant represents and warrants to Landlord that (1) Tenant shall apply for and remain in compliance with any and all federal, state or local permits in regard to Hazardous Materials; (2) Tenant shall report to any and all applicable governmental authorities any release of reportable quantities of any Hazardous Material(s) as required by any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements; (3) Tenant, within five (5) days of receipt, shall send to Landlord a copy of any notice, order, inspection report, or other document issued by any governmental authority relevant to the Tenant's compliance status with environmental or health and safety laws; and, (4) Tenant shall remove from the Premises all Hazardous Materials at the termination of this Lease.

18. Governing Law. The provisions of this Lease shall be governed by the laws of the State of Minnesota. This Lease may not be amended except in writing signed by all of the parties. No waiver of any provision hereunder shall be effective unless in writing signed by the party waiving its rights.

19. Complete Agreement. This Lease constitutes the entire agreement between Landlord and Tenant, and there are no other oral or written agreements or inducements between them with respect to the Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

S&D LAND HOLDINGS, INC.,
a Minnesota corporation

By

Its

FAMOUS DAVE'S OF MINNEAPOLIS, INC.,
a Minnesota corporation

By

Its

EXHIBIT 10.2

HIGHLAND PARK SITE

LEASE AGREEMENT

This Lease is made effective January 1, 1996, by S&D Land Holdings, Inc., a Minnesota corporation ("Landlord"), and Famous Dave's of Minneapolis, Inc., a Minnesota corporation ("Tenant").

RECITALS:

A. S&D Land Holdings, Inc. ("S&D") is the fee owner of approximately 2.3 acres of vacant land legally described as ("Premises"):

Parcel 1: Lots 2, 3 and 4, Block 1, Hathaway Addition

Parcel 2: Lots 1, 2 and 3, Block 1, Oasis Addition to St. Paul

Parcel 3: Lots 1, 2 and 3, Block 1, Major's Addition, Ramsey County, Minnesota and that part of the Northeasterly 1/2 of Leland Street, vacated, lying between the extensions across said street of the Northwesterly line of said Lot 1 and the Southeasterly line of said Lot 3

Parcel 4: That part of vacated alley adjacent to Lot 3, Block 1, Oasis Addition to St. Paul, accruing thereto

which Premises is located in Ramsey County, Minnesota.

B. Landlord desires to lease the Premises to Tenant and Tenant desires to lease the Premises from Landlord.

C. Tenant desires to construct a barbeque restaurant on the Premises.

NOW, THEREFORE, the parties agree as follows:

1. Lease Agreement. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord subject to the terms and conditions contained herein.

2. Term. The term of this Lease shall commence January 1, 1996 ("Commencement Date") and, unless earlier terminated or extended as provided herein, shall terminate on December 31, 2005 ("Initial Term").

3. Extended Term. Tenant shall have the option to extend the term of this Lease for two terms of five (5) years ("Extended Term") by giving Landlord written notice not later than (60) days prior to the expiration of the Initial Term of this Lease so long as Tenant is not in default in the performance of any covenant, agreement or condition hereunder. If Tenant fails to give such 60 day

written notice, it shall be deemed to have waived its right to the Extended Terms and shall vacate the Premises at the expiration of the Initial Term.

4. Rent. Tenant will pay rent of $3,741.66 per month ("Rent") to Landlord commencing on the Commencement Date and payable in advance on the first day of each month thereafter during the first Lease year. Rent shall be

increased on January 1, 1997 and each succeeding January 1st thereafter until the expiration of the Initial Term or any Extended Term according to the following computation:

> Each January 1st, Rent for such calendar year will be increased (but not decreased) by the percentage difference between the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All items and Major Group Figures for Urban Wage Earners and Clerical Workers (1982-84=100) ("CPI") for the preceding month of December and the CPI for the base year. For purposes of this Lease, the base year is 1995 ("Base Year") and the price index for the Base Year shall mean the average of the monthly indexes for each of the twelve months (12) of the Base Year. In no event should the Rent payable in any year be reduced during the next subsequent year due to a decrease in the CPI.

5. Additional Rent. Tenant shall pay before penalty attaches, all costs of maintenance, repairs, utilities, real estate and any other taxes, insurance and any and all other expenses necessary in connection with the operation or maintenance of the Premises ("Additional Rent").

6. Development and Use of Premises.

a. Tenant may construct and develop the Premises into a restaurant/entertainment facility ("Improvements") at Tenants sole cost and expense and in accordance with all Legal Requirements. Construction of the Improvements shall not commence until Landlord has approved the plans and specifications thereof. Landlord shall proceed with diligence to review the plans and specifications and immediately notify Tenant of its approval or disapproval. Tenant, at its cost and expense, shall obtain Builders Risk and workers compensation insurance during construction of the Improvements. Tenant shall comply with the requirements set forth in Section 9 in connection with construction of Improvements.

b. Tenant may use and occupy the Premises solely for restaurant/entertainment purposes and for no other purpose unless Tenant has first obtained Landlord's written consent. Tenant shall not use or occupy the Premises for any unlawful purpose, and will comply with all present and future laws, statutes, ordinances, orders, rules, codes, regulations, decrees and requirements of all governmental units (including any agency, department, commission, board, bureau or subdivision thereof) having jurisdiction over the Premises (collectively "Legal Requirements").

c. Landlord, its agents, contractors or employees may enter the Premises at reasonable hours to inspect the Premises and at any time in response to an emergency.

7. Assignment and Subletting.

a. There shall be no Assignment or Subletting of the Premises by Tenant without in each case, obtaining the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion.

b. Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder.

8. Maintenance and Repair.

a. Tenant shall, at all time during the term of this Lease, at its sole cost and expense, keep and maintain the Premises (including without limitation all Improvements, fixtures, and equipment on the Premises) in good order, repair and condition, and will make all repairs and replacements including, but not limited to heating, ventilating and air conditioning systems, structural components of the Improvements, down spouts, fire sprinkler system, dock bumpers, lawn maintenance, pest control and extermination, and trash pick-up and removal. Tenant shall repair and pay for any destruction caused by any act or omission of Tenant or Tenant's agents, employees, invitees, licensees or visitors, but shall not be obligated to pay for destruction to the Premises caused by the negligence of Landlord, its agents or employees.

b. Tenant agrees to maintain, at Tenant's sole cost and expense all Improvements, fixtures and equipment installed in the Premises; to use the Premises in a prudent and orderly manner; to suffer no waste or injury to the Premises or any Improvements or fixtures therein; and at the expiration or other termination of this Lease, to surrender the same with all Improvements in first class condition, except for ordinary wear and tear and destruction by insured casualty.

c. In the event Tenant fails to make the repairs or maintain the Premises as required hereunder, Landlord may make such repairs or perform such maintenance items at the expense of Tenant which expense shall be collected as Additional Rent.

9. Alterations; Signs; Equipment.

a. Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises without first obtaining the prior written consent of Landlord which consent shall not be unreasonably withheld or delayed. All alterations, decorations, additions or improvements shall be made in accordance with all Legal Requirements and insurance guidelines and shall be performed in a good and workmanlike manner by contractors approved by Landlord.

b. Upon completion of any alterations, decorations, additions or Improvements, Tenant shall deliver to Landlord evidence of payment, contractors' affidavits and full and final lien waivers for all labor, services, or materials performed or supplied in connection with such alteration, decoration, addition or Improvement. Tenant shall indemnify, defend (at Landlord's request and with counsel approved by Landlord) and hold Landlord harmless from and against all losses, costs, damages, claims, liabilities, causes of action and expenses (including attorneys' fees and disbursements, whether suit is commenced or not) arising out of or relating to any alterations, decorations, additions or Improvements that Tenant or any of its contractors make to the Premises, including any occasioned by the filing of any mechanic's, material supplier's, construction or other liens or claims (and all costs or expenses associated therewith) asserted, filed or arising out of any such work. Without limiting the generality of the foregoing, Tenant shall repair or cause to be repaired at its expense all damage caused by any of its contractors, subcontractors or their employees or agents. Tenant shall reimburse Landlord for any costs incurred by Landlord to repair any damage caused by any of Tenant's contractors. Tenant shall also reimburse Landlord upon demand for any costs Landlord may incur to have an engineer review all mechanical, structural, electrical, plumbing and life safety systems installed by any of Tenant's contractors.

c. All alterations, decorations, additions or Improvements in or to the Premises made by Tenant shall become the property of Landlord upon the expiration or termination of this Lease and shall remain upon and be surrendered with the Premises as a part thereof without disturbance or injury, unless Landlord requires specific items thereof to be removed by Tenant at Tenant's sole cost and expense, in which event Tenant shall remove the same prior to the expiration or termination of this Lease and shall repair any damage caused thereby.

d. Tenant shall not place or maintain any sign, advertisement or notice on any part of the outside of the Premises or any area visible from outside the Premises, without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All signage approved by Landlord shall be in conformance with all Legal Requirements.

10. Casualty and Insurance.

a. Substantial Destruction. If the Premises should be totally destroyed by fire or other casualty so that rebuilding cannot reasonably be completed within ninety days after such destruction, Tenant's obligations to pay Rent and Additional Rent shall abate from the date of such destruction and either Landlord or Tenant shall have the right to terminate this Lease by giving written notice thereof to each other within thirty (30) days after the date of such destruction.

b. Partial Destruction. If the Premises should be partially damaged by fire or other casualty, and rebuilding or repairs can reasonably be completed within ninety days from the date of the destruction (without taking into account the availability of funds or insurance proceeds), this Lease shall not terminate, and Tenant shall at its sole risk and expense proceed with reasonable diligence to rebuild or repair the building or other improvements to substantially the same condition in which they existed prior to the destruction. There shall be no abatement of Rent or Additional

Rent following such destruction. In the event that Tenant fails to complete the necessary repairs or rebuilding within one hundred eighty (180) days from the date of the destruction (force majeure excepted), Landlord may at its option terminate this Lease by delivering written notice of termination to Tenant, whereupon all rights and obligations under this Lease shall cease to exist.

c. Insurance. Tenant shall maintain at its expense standard fire and extended coverage, or "all risk" policy of insurance covering one hundred percent (100%) replacement cost on (i) the Premises, (ii) all of its personal property, including removable trade fixtures, located in the Premises and (ii) all of the Improvements and any improvements (including fixtures) made by, for or on behalf of Tenant. Landlord shall be named as an additional loss payee with respect to the insurance described herein.

Tenant shall maintain commercial general liability occurrence policy insurance with the premiums thereon fully paid on or before the due dates which affords minimum protection (which may be affected by primary and/or excess coverage) of not less than $2,000,000 combined single limit provided Tenant shall carry such greater limits of coverage as Landlord may deem reasonable from time to time. Landlord shall be named as an additional insured on Tenant's policy. Tenant shall deliver to Landlord certificates evidencing maintenance of the insurance required herein.

d. Insurance Carrier. Any insurance required under this

Section shall be issued by a company authorized to do business in the State of Minnesota and having an A.M. Best & Company, Inc. rating of A or higher and a financial size category of not less than X and shall require thirty (30) days advance notice to Landlord before cancellation or alteration. Tenant shall deliver to Landlord certificates evidencing maintenance of the insurance required herein.

e. Waiver of Subrogation. Landlord and Tenant each hereby waive and release each other from any loss or damages arising from any cause covered by insurance against each other, their agents, officers and employees, by any reason, regardless of cause or origin, including the negligence or willful misconduct of Landlord or Tenant and their agents, officers and employees. Tenant agrees to immediately give its insurance company which has issued policies of insurance covering all risk of direct physical loss, written notice of the terms of the mutual waivers contained in this section and to have the insurance policy properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers.

11. Condemnation.

a. Total Taking. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of that right (in either case a "taking"), all of the Premises are taken or if so much of the Premises are taken that the Premises (even if the restorations described in subparagraph (b) were to be made) cannot be used by Tenant for the purposes for which they were used immediately before the taking, this Lease will end on the earlier of the vesting of title to the Premises in the condemning authority, or the taking of possession of the Premises by the condemning authority (in either case the"Ending Date"). If this Lease ends according to this

subparagraph (a), prepaid rent will be appropriately prorated to the Ending Date. The award in a taking subject to this subparagraph (a) will be allocated according to subparagraph (d).

b. Partial Taking. If, after a taking, so much of the Premises remains that the Premises can be used for substantially the same purposes for which they were used immediately before the taking, (i) this Lease will end on the Ending Date as to the part of the Premises that is taken, (ii) prepaid rent will be appropriately allocated to the part of the Premises that is taken and prorated to the Ending Date, (iii) beginning on the day after the Ending Date, Rent for so much of the Premises as remains will be reduced in the proportion of the floor area of the building remaining after the taking to the floor area of the building before the taking, (iv) at its cost, Tenant will restore so much of the Premises as remains to a sound architectural unit substantially suitable for the purposes for which they were used immediately before the taking, using good workmanship and new first class materials, all according to Section 9, (v) upon the completion of restoration according to clause (iv), Landlord will pay Tenant the lesser of the net award made to Landlord on account of the taking (after deducting from the total award, attorneys', appraisers' and other costs incurred in connection with obtaining the award, and amounts paid to the holders of mortgages affecting the Premises) or Tenant's actual out-of-pocket cost of restoring the Premises, and (vi) Landlord will keep the balance of the net award.

c. Tenant's Award. In connection with any taking subject to subparagraph (a) or (b), Tenant may prosecute its own claim by separate proceedings against the condemning authority for damages legally due

to it (such as the loss of fixtures that Tenant was entitled to remove, and moving expenses) only so long as Tenant's award does not diminish or otherwise adversely affect Landlord's award.

d. Allocation of an Award for a Total Taking. If this Lease ends according to subparagraph (a), the condemnation award will be paid in the order in this subparagraph to the extent it is sufficient:

i. First, Landlord will be reimbursed for its attorneys' fees, appraisal fees, and other costs incurred in prosecuting the claim for an award;

ii. Second, Landlord will be paid for lost Rent and the value of the reversion (excluding any future Extended Terms) as of the Ending Date;

iii. Third, Tenant will be paid its adjusted book value as of the date of the taking of its improvements (excluding trade fixtures) made to the Premises. In computing its adjusted book value, improvements will be conclusively presumed to have been depreciated or amortized for federal income tax purposes over their useful lives with a reasonable salvage value;

iv. Fourth, the balance will be divided equally between Landlord and Tenant.

12. Default.

a. Any one of the following events shall constitute an event of default ("Event of Default"):

i. Tenant shall fail to pay any installment of Rent and/or Additional Rent as herein provided, and such default shall continue for a period of five (5) days after notice from Landlord;

ii. Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for thirty (30) days after notice from Landlord; provided, however, that if the nature of such default is such that Tenant can cure the default, but not within thirty (30) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences to cure the default within said thirty (30) day period and thereafter diligently and continuously prosecutes the curing of the default to completion with such additional thirty (30) day period, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises;

iii. Tenant shall fail to commence occupancy of the Premises promptly upon the Commencement Date or shall vacate or abandon the Premises or any portion thereof at any time during the Initial Term or any Extended Terms thereof; or

iv. If (1) the interest of Tenant under this Lease shall be levied upon under execution or other legal process, (2) any petition shall be filed by or against Tenant to declare Tenant bankrupt or to delay, reduce or modify Tenant's debts or obligations, (3) Tenant shall be declared insolvent according to law, or (4) any assignment of Tenant's property shall be made for the benefit of creditors, or a receiver or trustee is appointed for Tenant or its property (provided that no such levy, execution,

legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation, service or filing).

v. If Tenant is a partnership or other entity and Tenant shall be dissolved or otherwise liquidated, except in connection with a merger, consolidation or other reorganization resulting in continuation of Tenant's business substantially as previously conducted, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon, at Landlord's option, may have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity.

b. If an Event of Default shall have occurred and be continuing:

i. Landlord may terminate this Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises (including attorneys' fees, disbursements of counsel and any costs of suit),

(ii) the unpaid Rent earned at the time of termination, plus interest thereon at the Interest Rate, (iii) the present value (discounted at the rate published from time to time as the discount rate for the Federal Reserve Bank of Minneapolis) of the balance of the Rent and/or Additional Rent for the remainder of the Term less the present value (discounted at the same rate) of the amount Tenant reasonably demonstrates that Landlord would in all likelihood receive from leasing the Premises to another tenant for said period, taking into account the cost of reletting, the then-current market conditions, the time the Premises was vacant and other similar costs, and (iv) any other sum of money and damages owed by Tenant to Landlord.

ii. Landlord may terminate Tenant's right of possession (without terminating this Lease) and may repossess the Premises by unlawful detainer suit or otherwise, without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant and without terminating this Lease, in which event Landlord may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting Landlord is authorized to decorate or to make any repairs, changes, alterations or additions to the Premises as may be reasonably necessary or desirable in Landlord's judgment, and (i) if Landlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Landlord), the unpaid Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the Interest Rate, the cost of recovering possession (including attorneys' fees, disbursements of counsel and any costs of suit), all of the costs and expenses of such decorations, repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the rent accruing therefrom) to satisfy the Rent provided for in this Lease to be paid, then (i) Tenant shall pay to Landlord as damages if the Premises are not relet, a sum equal to the amount of the Rent reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and any costs of suit), the unpaid Rent earned at the time of repossession plus interest thereon at the Interest Rate, and the costs incurred in any attempt by Landlord to relet the Premises, or (ii) if the Premises have been relet, the Tenant shall satisfy and pay any such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to

recover any sums falling due under the terms of this Section 12 from time to time. No delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord, nor shall such reletting be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

c. In the event of a breach by Tenant of any of the agreements, conditions, covenants or terms hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnities or reimbursements are herein provided. The rights and remedies given to Landlord in this Lease are

distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others.

d. In the interest of minimizing the time and expense of any litigation between the parties hereto, Landlord and Tenant each hereby do waive the right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy.

e. In addition to all other remedies of Landlord, Landlord shall be entitled to reimbursement upon demand of all attorneys' fees and disbursements of counsel incurred by Landlord in connection with any Event of Default, whether suit is initiated or not.

f. Landlord shall in no event be considered to be in default of Landlord's obligations hereunder until the expiration of a reasonable time after notice of default from Tenant.

13. Landlord's Right to Cure Defaults; Late Payments.

If Tenant defaults in the making of any payment, or in the doing of any act herein required to be made or done by Tenant, or does or suffers any act prohibited herein, then Landlord may, but shall not be required to, make such payment or do such act, or correct any damage caused by such prohibited act and enter the Premises as appropriate in connection therewith. Tenant shall reimburse Landlord on demand for all costs and expenses incurred by Landlord in curing any such default plus a charge of ten percent (10%) of the amount of such costs and expenses, together with interest thereon at the Interest Rate from the date such sums are incurred by Landlord. Notwithstanding the foregoing, the making of any such payment or the doing of any such act by Landlord shall not operate to cure such default or to estop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. If any installment of Rent is not paid by Tenant when due and payable: (i) a one-time late charge in the amount of five percent (5%) of the delinquent installment shall become immediately due and payable as compensation to Landlord for administrative costs; and (ii) the unpaid balance due Landlord shall bear interest at the Interest Rate from the date such installment became due and payable to the date of payment thereof by Tenant, and such interest shall constitute Additional Rent hereunder which shall be immediately due and payable.

14. Covenant of Quiet Enjoyment. Subject to other terms of this Lease, if Tenant shall pay the rent and comply with the terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the Term hereby created, freely, peaceably and quietly occupy and enjoy the full possession of the Premises, provided Landlord shall not be liable for any breach of such covenants resulting from the actions or inaction of the Landlord.

15. Indemnification, Waiver and Release.

a. Indemnification. Tenant shall indemnify and hold Landlord, its officers, directors, shareholders, agents and employees harmless from and against any and all demands, claims, fines, damages, losses, liabilities, liens, judgments and expenses (including, without limitation, attorneys' fees and court costs) incurred in connection with or arising from: (i) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (ii) any activity, work or thing done or permitted or suffered by Tenant to be done in or about the Premises; (iii) any acts, omissions or negligence of Tenant or any person claiming under Tenant or the contractors, agents, employees, invitees or visitors of Tenant or any such person; (iv) any breach, violation or nonperformance by Tenant, any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant, (v) any injury or damage to the person, property or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Tenant; or (vi) any actions taken by Landlord to enforce the foregoing right of indemnification against Tenant, except if any of the above-listed events are the result of the gross negligence or willful misconduct of Landlord, its directors, officers, shareholders, agents or employees. If any action or proceeding is brought against Landlord, its officers, shareholders, agents or employees by reason of any such claim, Tenant, upon notice from Landlord, shall defend the claim at Tenant's expense with counsel reasonably satisfactory to Landlord.

b. Waiver and Release. Tenant waives and releases all claims against Landlord, its officers, shareholders, agents and employees with respect to all matters arising out of Tenant's use and occupancy of the Premises, except if the result of the gross negligence or wilful misconduct of Landlord, its directors, officers, shareholders, agents or employees.

16. Mutual Estoppel. Either party may request from the other party, an estoppel certificate to be executed in recordable form and to any person designated in a written request which (a) ratifies this Lease; (b) states the commencement and termination dates; and (c) certifies (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated), (ii) that all conditions under this Lease to be performed have been satisfied (stating exceptions, if any), (iii) that no defenses or offsets against the enforcement of this Lease exist (or stating those claimed): (iv) as to advance rent, if any, paid by Tenant, (v) the date to which Rent has been paid, (vi) the amount of security deposited with Landlord, and such other information as may reasonably be requested. Persons receiving such estoppel certificates shall be entitled to rely upon them.

17. Hazardous Waste. Tenant shall not, without the prior written consent of Landlord, cause or permit, knowingly or unknowingly, any Hazardous Material (hereinafter defined) to be brought or remain upon, kept, used, discharged, leaked, or emitted in or about, or treated at the Premises. As used in this Lease, "Hazardous Material(s)" shall mean any hazardous, toxic or radioactive substance, material, matter or waste which is or becomes regulated

by any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement, and shall include asbestos, petroleum products and the terms "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation

and Liability Act, as amended 42 U.S.C. Section 9601 et seq. ("CERCLA"), and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"). To obtain Landlord's consent, Tenant shall prepare and "Environmental Audit" for Landlord's review. Such Environmental Audit shall list: (1) the name(s) of each Hazardous Material and a Material Safety Data Sheet (MSDS) as required by the Occupational Safety and Health Act; (2) the volume proposed to be used, stored and/or treated at the Premises; (3) the purpose of such Hazardous Material; (4) the proposed on-premises storage location(s); (5) the name(s) of the proposed off-premises disposal entity; and (6) an emergency preparedness plan in the event of a release. Additionally, the Environmental Audit shall include copies of all required federal, state, and local permits concerning or related to the proposed use, storage, or treatment of any Hazardous Material(s) at the Premises. Tenant shall submit a new Environmental Audit whenever it proposes to use, store, or treat a new Hazardous Material at the Premises or when the volume of existing Hazardous Materials to be used, stored, or treated at the Premises expands by ten percent (10%) during any thirty (30) day period. If Landlord, in its reasonable judgment, finds the Environmental Audit acceptable, then Landlord shall deliver to Tenant Landlord's written consent. Notwithstanding such consent, Landlord may revoke its consent upon: (1) Tenant's failure to remain in full compliance with applicable environmental permits and/or any other requirements under any federal, state, or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement (including but not limited to CERCLA and RCRA) related to environmental safety, human health, or employee safety; (2) the Tenant's business operations pose or potentially pose a human health risk to other tenants; or (3) the Tenant expands its use, storage, or treatment of any Hazardous Material(s) in a manner inconsistent with the safe operation of a shopping center. Should Landlord consent in writing to Tenant bringing, using, storing or treating any Hazardous Material(s) in or upon the Premises, Tenant shall strictly obey and adhere to any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements (including but not limited to CERCLA and RCRA) which in any way regulate, govern or impact Tenant's possession, use, storage, treatment or disposal of said Hazardous Material(s). In addition, Tenant represents and warrants to Landlord that (1) Tenant shall apply for and remain in compliance with any and all federal, state or local permits in regard to Hazardous Materials; (2) Tenant shall report to any and all applicable governmental authorities any release of reportable quantities of any Hazardous Material(s) as required by any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements; (3) Tenant, within five (5) days of receipt, shall send to Landlord a copy of any notice, order, inspection report, or other document issued by any governmental authority relevant to the Tenant's compliance status with environmental or health and safety laws; and, (4) Tenant shall remove from the Premises all Hazardous Materials at the termination of this Lease.

18. Governing Law. The provisions of this Lease shall be governed by the laws of the State of Minnesota. This Lease may not be amended except in writing signed by all of the parties. No waiver of any provision hereunder shall be effective unless in writing signed by the party waiving its rights.

19. Complete Agreement. This Lease constitutes the entire agreement between Landlord and Tenant, and there are no other oral or written agreements or inducements between them with respect to the Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

S&D LAND HOLDINGS, INC.,
a Minnesota corporation

By______________________________
Its______________________________

FAMOUS DAVE'S OF MINNEAPOLIS, INC.,
a Minnesota corporation

By______________________________
Its______________________________

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EXHIBIT 10.3

MINNETONKA SITE

LEASE AGREEMENT

This Lease is made effective January 15, 1996, by S&D Land Holdings, Inc., a Minnesota corporation ("Landlord"), and Famous Dave's of Minneapolis, Inc., a Minnesota corporation ("Tenant").

RECITALS:

A. S&D Land Holdings, Inc. ("S&D") is the fee owner of the real estate legally described as Lot 2, Block 1, Tower Hill Addition and the West 45 feet of Lot 3, Block 1, Tower Hill Addition containing approximately 102,575 square feet ("Property") which Property is located at Interstate 494 and Highway 7 in Hennepin County, Minnetonka, Minnesota.

B. A restaurant building and parking lot ("Improvements") are located upon the Property (together the Property and Improvements are referred to as "Premises").

C. Landlord desires to lease the Premises to Tenant and Tenant desires to lease the Premises from Landlord.

NOW, THEREFORE, the parties agree as follows:

1. Lease Agreement. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord subject to the terms and conditions contained herein.

2. Term. The term of this Lease shall commence January 15, 1996 ("Commencement Date") and, unless earlier terminated or extended as provided herein, shall terminate on January 14, 2006 ("Initial Term").

3. Extended Term. Tenant shall have the option to extend the term of this Lease for two terms of five (5) years ("Extended Term") by giving Landlord written notice not later than (60) days prior to the expiration of the Initial Term of this Lease so long as Tenant is not in default in the performance of any covenant, agreement or condition hereunder. If Tenant fails to give such 60 day written notice, it shall be deemed to have waived its right to the Extended Terms and shall vacate the Premises at the expiration of the Initial Term.

4. Rent. Tenant will pay rent of $10,344.08 per month ("Rent") to Landlord commencing on the Commencement Date and payable in advance on the first day of each month thereafter during the first Lease year. Rent shall be increased on January 15, 1997 and each succeeding January 15th thereafter until the expiration of the Initial Term or any Extended Term according to the following computation:

> Each January 15th, Rent for such calendar year will be increased (but not decreased) by the percentage difference between the Consumer

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> Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All items and Major Group Figures for Urban Wage Earners and Clerical Workers (1982-84=100) ("CPI") for the preceding month of December and the CPI for the base year. For purposes of this Lease, the base year is 1995 ("Base Year") and the price

index for the Base Year shall mean the average of the monthly indexes for each of the twelve months (12) of the Base Year. In no event should the Rent payable in any year be reduced during the next subsequent year due to a decrease in the CPI.

5. Additional Rent. Tenant shall pay before penalty attaches, all costs of maintenance, repairs, utilities, real estate and any other taxes, insurance and any and all other expenses necessary in connection with the operation or maintenance of the Premises ("Additional Rent").

6. Use.

a. Tenant may use and occupy the Premises solely for restaurant/entertainment purposes and for no other purpose unless Tenant has first obtained Landlord's written consent. Tenant shall not use or occupy the Premises for any unlawful purpose, and will comply with all present and future laws, statutes, ordinances, orders, rules, codes, regulations, decrees and requirements of all governmental units (including any agency, department, commission, board, bureau or subdivision thereof) having jurisdiction over the Premises (collectively "Legal Requirements").

b. Landlord, its agents, contractors or employees may enter the Premises at reasonable hours to inspect the Premises and at any time in response to an emergency.

7. Assignment and Subletting.

a. There shall be no Assignment or Subletting of the Premises by Tenant without in each case, obtaining the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion.

b. Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder.

8. Maintenance and Repair.

a. Tenant shall, at all time during the term of this Lease, at its sole cost and expense, keep and maintain the Premises (including without limitation all Improvements, fixtures, and equipment on the Premises) in good order, repair and condition, and will make all repairs and replacements including, but not limited to heating, ventilating and air conditioning systems, structural components of the Improvements, down spouts, fire sprinkler system, dock bumpers, lawn

maintenance, pest control and extermination, and trash pick-up and removal. Tenant shall repair and pay for any destruction caused by any act or omission of Tenant or Tenant's agents, employees, invitees, licensees or visitors, but shall not be obligated to pay for destruction to the Premises caused by the negligence of Landlord, its agents or employees.

b. Tenant agrees to maintain, at Tenant's sole cost and expense all improvements, fixtures and equipment installed in the Premises; to use the Premises in a prudent and orderly manner; to suffer no waste or injury to the Premises or any improvements or fixtures therein; and at the expiration or other termination of this Lease, to surrender the same with all improvements in the same order and condition in which they were on the Commencement Date, or in such better condition as they may thereafter be put, except for ordinary wear and tear and destruction by insured casualty.

c. In the event Tenant fails to make the repairs or maintain the Premises as required hereunder, Landlord may make such repairs or perform such maintenance items at the expense of Tenant which expense shall be

collected as Additional Rent.

9. Alterations; Signs; Equipment.

a. Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises without first obtaining the prior written consent of Landlord which consent shall not be unreasonably withheld or delayed. All alterations, decorations, additions or improvements shall be made in accordance with all Legal Requirements and insurance guidelines and shall be performed in a good and workmanlike manner by contractors approved by Landlord.

b. Upon completion of any alterations, decorations, additions or improvements, Tenant shall deliver to Landlord evidence of payment, contractors' affidavits and full and final lien waivers for all labor, services, or materials performed or supplied in connection with such alteration, decoration, addition or improvement. Tenant shall indemnify, defend (at Landlord's request and with counsel approved by Landlord) and hold Landlord harmless from and against all losses, costs, damages, claims, liabilities, causes of action and expenses (including attorneys' fees and disbursements, whether suit is commenced or not) arising out of or relating to any alterations, decorations, additions or improvements that Tenant or any of its contractors make to the Premises, including any occasioned by the filing of any mechanic's, material supplier's, construction or other liens or claims (and all costs or expenses associated therewith) asserted, filed or arising out of any such work. Without limiting the generality of the foregoing, Tenant shall repair or cause to be repaired at its expense all damage caused by any of its contractors, subcontractors or their employees or agents. Tenant shall reimburse Landlord for any costs incurred by Landlord to repair any damage caused by any of Tenant's contractors. Tenant shall also reimburse Landlord upon demand for any costs Landlord may incur to have an engineer review all mechanical, structural, electrical, plumbing and life safety systems installed by any of Tenant's contractors.

c. All alterations, decorations, additions or improvements in or to the Premises made by Tenant shall become the property of Landlord upon the expiration or termination of this Lease and shall remain upon and be surrendered with the Premises as a part thereof without disturbance or injury, unless Landlord requires specific items thereof to be removed by Tenant at Tenant's sole cost and expense, in which event Tenant shall remove the same prior to the expiration or termination of this Lease and shall repair any damage caused thereby.

d. Tenant shall not place or maintain any sign, advertisement or notice on any part of the outside of the Premises or any area visible from outside the Premises, without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All signage approved by Landlord shall be in conformance with all Legal Requirements.

10. Casualty and Insurance.

a. Substantial Destruction. If the Premises should be totally destroyed by fire or other casualty so that rebuilding cannot reasonably be completed within ninety days after such destruction, Tenant's obligations to pay Rent and Additional Rent shall abate from the date of such destruction and either Landlord or Tenant shall have the right to terminate this Lease by giving written notice thereof to each other within thirty (30) days after the date of such destruction.

b. Partial Destruction. If the Premises should be partially damaged by fire or other casualty, and rebuilding or repairs can reasonably be completed within ninety days from the date of the destruction (without taking into account the availability of funds or insurance proceeds), this Lease shall not terminate, and Tenant shall at its sole risk and expense proceed with reasonable diligence to rebuild or repair the building or other improvements to substantially the same condition in which they existed prior to the destruction. There shall be no abatement of Rent or Additional Rent following such destruction. In the event that Tenant fails to complete the necessary repairs or rebuilding within one hundred eighty (180) days from the date of the destruction (force majeure excepted), Landlord may at its option terminate this Lease by delivering written notice of termination to Tenant, whereupon all rights and obligations under this Lease shall cease to exist.

c. Insurance. Tenant shall maintain at its expense standard fire and extended coverage, or "all risk" policy of insurance covering one hundred percent (100%) replacement cost on (i) the Premises, (ii) all of its personal property, including removable trade fixtures, located in the Premises and (ii) all of the Improvements and any improvements (including fixtures) made by, for or on behalf of Tenant. Landlord shall be named as an additional loss payee with respect to the insurance described herein.

Tenant shall maintain commercial general liability occurrence policy insurance with the premiums thereon fully paid on or before the due dates which affords minimum protection (which may be affected by primary and/or excess coverage) of not less than $2,000,000 combined single limit provided Tenant shall carry such greater limits of coverage as Landlord may deem reasonable from

time to time. Landlord shall be named as an additional insured on Tenant's policy. Tenant shall deliver to Landlord certificates evidencing maintenance of the insurance required herein.

d. Insurance Carrier. Any insurance required under this Section shall be issued by a company authorized to do business in the State of Minnesota and having an A.M. Best & Company, Inc. rating of A or higher and a financial size category of not less than X and shall require thirty (30) days advance notice to Landlord before cancellation or alteration. Tenant shall deliver to Landlord certificates evidencing the insurance required herein.

e. Waiver of Subrogation. Landlord and Tenant each hereby waive and release each other from any loss or damages arising from any cause covered by insurance against each other, their agents, officers and employees, by any reason, regardless of cause or origin, including the negligence or willful misconduct of Landlord or Tenant and their agents, officers and employees. Tenant agrees to immediately give its insurance company which has issued policies of insurance covering all risk of direct physical loss, written notice of the terms of the mutual waivers contained in this section and to have the insurance policy properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers.

11. Condemnation.

a. Total Taking. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of that right (in either case a "taking"), all of the Premises are taken or if so much of the Premises are taken that the Premises (even if the restorations described in subparagraph (b) were to be made) cannot be used by Tenant for the

purposes for which they were used immediately before the taking, this Lease will end on the earlier of the vesting of title to the Premises in the condemning authority, or the taking of possession of the Premises by the condemning authority (in either case the "Ending Date"). If this Lease ends according to this subparagraph (a), prepaid rent will be appropriately prorated to the Ending Date. The award in a taking subject to this subparagraph (a) will be allocated according to subparagraph (d).

b. Partial Taking. If, after a taking, so much of the Premises remains that the Premises can be used for substantially the same purposes for which they were used immediately before the taking, (i) this Lease will end on the Ending Date as to the part of the Premises that is taken, (ii) prepaid rent will be appropriately allocated to the part of the Premises that is taken and prorated to the Ending Date, (iii) beginning on the day after the Ending Date, Rent for so much of the Premises as remains will be reduced in the proportion of the floor area of the building remaining after the taking to the floor area of the building before the taking, (iv) at its cost, Tenant will restore so much of the Premises as remains to a sound architectural unit substantially suitable for the purposes for which they were used immediately before the taking, using good workmanship and new first class materials, all according to Section 9, (v) upon the completion of restoration according to clause (iv), Landlord will pay Tenant the lesser of the net award made to Landlord on account of the taking (after deducting from the total award, attorneys', appraisers' and other costs incurred in connection with obtaining the award, and amounts paid to the holders of mortgages affecting the

Premises) or Tenant's actual out-of-pocket cost of restoring the Premises, and (vi) Landlord will keep the balance of the net award.

c. Tenant's Award. In connection with any taking subject to subparagraph (a) or (b), Tenant may prosecute its own claim by separate proceedings against the condemning authority for damages legally due to it (such as the loss of fixtures that Tenant was entitled to remove, and moving expenses) only so long as Tenant's award does not diminish or otherwise adversely affect Landlord's award.

d. Allocation of an Award for a Total Taking. If this Lease ends according to subparagraph (a), the condemnation award will be paid in the order in this subparagraph to the extent it is sufficient:

i. First, Landlord will be reimbursed for its attorneys' fees, appraisal fees, and other costs incurred in prosecuting the claim for an award;

ii. Second, Landlord will be paid for lost Rent and the value of the reversion (excluding any future Extended Terms) as of the Ending Date;

iii. Third, Tenant will be paid its adjusted book value as of the date of the taking of its improvements (excluding trade fixtures) made to the Premises. In computing its adjusted book value, improvements will be conclusively presumed to have been depreciated or amortized for federal income tax purposes over their useful lives with a reasonable salvage value;

iv. Fourth, the balance will be divided equally between Landlord and Tenant.

12. Default.

a. Any one of the following events shall constitute an event of default ("Event of Default"):

i. Tenant shall fail to pay any installment of Rent and/or Additional Rent as herein provided, and such default shall continue for a period of five (5) days after notice from Landlord;

ii. Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for thirty (30) days after notice from Landlord; provided, however, that if the nature of such default is such that Tenant can cure the default, but not within thirty (30) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences to cure the default within said thirty (30) day period and thereafter diligently and continuously prosecutes the curing of

the default to completion with such additional thirty (30) day period, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises;

iii. Tenant shall fail to commence occupancy of the Premises promptly upon the Commencement Date or shall vacate or abandon the Premises or any portion thereof at any time during the Initial Term or any Extended Terms thereof; or

iv. If (1) the interest of Tenant under this Lease shall be levied upon under execution or other legal process, (2) any petition shall be filed by or against Tenant to declare Tenant bankrupt or to delay, reduce or modify Tenant's debts or obligations, (3) Tenant shall be declared insolvent according to law, or (4) any assignment of Tenant's property shall be made for the benefit of creditors, or a receiver or trustee is appointed for Tenant or its property (provided that no such levy, execution, legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation, service or filing).

v. If Tenant is a partnership or other entity and Tenant shall be dissolved or otherwise liquidated, except in connection with a merger, consolidation or other reorganization resulting in continuation of Tenant's business substantially as previously conducted, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon, at Landlord's option, may have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity.

b. If an Event of Default shall have occurred and be continuing:

i. Landlord may terminate this Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises (including attorneys' fees, disbursements of counsel and any costs of suit), (ii) the unpaid Rent earned at the time of termination, plus interest thereon at the Interest Rate, (iii) the present value (discounted at the rate published from time to time as the discount rate for the Federal Reserve Bank of Minneapolis) of the balance of the Rent and/or Additional Rent for the remainder of the Term less the present value (discounted at the same rate) of the amount Tenant reasonably demonstrates that Landlord would in all likelihood receive from leasing the Premises to another tenant for said period, taking into account the

cost of reletting, the then-current market conditions, the time the Premises was vacant and other similar costs, and (iv) any other sum of money and damages owed by Tenant to Landlord.

ii. Landlord may terminate Tenant's right of possession (without terminating this Lease) and may repossess the Premises by unlawful detainer suit or otherwise, without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant and without terminating this Lease, in which event Landlord may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting Landlord is authorized to

decorate or to make any repairs, changes, alterations or additions to the Premises as may be reasonably necessary or desirable in Landlord's judgment, and (i) if Landlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Landlord), the unpaid Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the Interest Rate, the cost of recovering possession (including attorneys' fees, disbursements of counsel and any costs of suit), all of the costs and expenses of such decorations, repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the rent accruing therefrom) to satisfy the Rent provided for in this Lease to be paid, then (i) Tenant shall pay to Landlord as damages if the Premises are not relet, a sum equal to the amount of the Rent reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and any costs of suit), the unpaid Rent earned at the time of repossession plus interest thereon at the Interest Rate, and the costs incurred in any attempt by Landlord to relet the Premises, or (ii) if the Premises have been relet, the Tenant shall satisfy and pay any such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section 12 from time to time. No delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord, nor shall such reletting be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

c. In the event of a breach by Tenant of any of the agreements, conditions, covenants or terms hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnities or reimbursements are herein provided. The rights and remedies given to Landlord in this Lease are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others.

d. In the interest of minimizing the time and expense of any litigation between the parties hereto, Landlord and Tenant each hereby do waive the right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy.

e. In addition to all other remedies of Landlord,

Landlord shall be entitled to reimbursement upon demand of all attorneys' fees and disbursements of counsel incurred by Landlord in connection with any Event of Default, whether suit is initiated or not.

f. Landlord shall in no event be considered to be in default of Landlord's obligations hereunder until the expiration of a reasonable time after notice of default from Tenant.

13. Landlord's Right to Cure Defaults; Late Payments.

If Tenant defaults in the making of any payment, or in the doing of any act herein required to be made or done by Tenant, or does or suffers any act prohibited herein, then Landlord may, but shall not be required to, make such payment or do such act, or correct any damage caused by such prohibited act and enter the Premises as appropriate in connection therewith. Tenant shall reimburse Landlord on demand for all costs and expenses incurred by Landlord in curing any such default plus a charge of ten percent (10%) of the amount of such costs and expenses, together with interest thereon at the Interest Rate from the date such sums are incurred by Landlord. Notwithstanding the foregoing, the making of any such payment or the doing of any such act by Landlord shall not operate to cure such default or to estop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. If any installment of Rent is not paid by Tenant when due and payable: (i) a one-time late charge in the amount of five percent (5%) of the delinquent installment shall become immediately due and payable as compensation to Landlord for administrative costs; and (ii) the unpaid balance due Landlord shall bear interest at the Interest Rate from the date such installment became due and payable to the date of payment thereof by Tenant, and such interest shall constitute Additional Rent hereunder which shall be immediately due and payable.

14. Covenant of Quiet Enjoyment. Subject to other terms of this Lease, if Tenant shall pay the rent and comply with the terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the Term hereby created, freely, peaceably and quietly occupy and enjoy the full possession of the Premises, provided Landlord shall not be liable for any breach of such covenants resulting from the actions or inaction of the Landlord.

15. Indemnification, Waiver and Release.

a. Indemnification. Tenant shall indemnify and hold Landlord, its officers, directors, shareholders, agents and employees harmless from and against any and all demands, claims, fines, damages, losses, liabilities, liens, judgments and expenses (including, without limitation, attorneys' fees and court costs) incurred in connection with or arising from: (i) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (ii) any activity, work or thing done or permitted or suffered by Tenant to be done in or about the Premises; (iii) any acts, omissions or negligence of Tenant or any person claiming under Tenant or the contractors, agents, employees, invitees or visitors of Tenant or any such person; (iv) any breach, violation or nonperformance by Tenant, any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant, (v) any injury or damage to the person, property or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Tenant; or (vi) any actions taken by Landlord to enforce the foregoing right of indemnification against Tenant, except if any of the above- listed events are the result of the gross negligence or willful misconduct of Landlord, its directors, officers, shareholders, agents or employees. If any action or proceeding is brought

against Landlord, its officers, shareholders, agents or employees by reason of any such claim, Tenant, upon notice from Landlord, shall defend the claim at Tenant's expense with counsel reasonably satisfactory to Landlord.

b. Waiver and Release. Tenant waives and releases all claims against Landlord, its officers, shareholders, agents and employees with respect to all matters arising out of Tenant's use and occupancy of the Premises, except if the result of the gross negligence or wilful misconduct of Landlord, its directors, officers, shareholders, agents or employees.

16. Mutual Estoppel. Either party may request from the other party, an estoppel certificate to be executed in recordable form and to any person designated in a written request which (a) ratifies this Lease; (b) states the commencement and termination dates; and (c) certifies (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated), (ii) that all conditions under this Lease to be performed have been satisfied (stating exceptions, if any), (iii) that no defenses or offsets against the enforcement of this Lease exist (or stating those claimed): (iv) as to advance rent, if any, paid by Tenant, (v) the date to which Rent has been paid, (vi) the amount of security deposited with Landlord, and such other information as may reasonably be requested. Persons receiving such estoppel certificates shall be entitled to rely upon them.

17. Hazardous Waste. Tenant shall not, without the prior written consent of Landlord, cause or permit, knowingly or unknowingly, any Hazardous Material (hereinafter defined) to be brought or remain upon, kept, used, discharged, leaked, or emitted in or about, or treated at the Premises. As used in this Lease, "Hazardous Material(s)" shall mean any hazardous, toxic or radioactive substance, material, matter or waste which is or becomes regulated by any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement, and shall include asbestos, petroleum products and the terms "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended 42 U.S.C. Section 9601 et seq. ("CERCLA"), and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"). To obtain Landlord's consent, Tenant shall prepare and "Environmental Audit" for Landlord's review. Such Environmental Audit shall list: (1) the name(s) of each Hazardous Material and a Material Safety Data Sheet (MSDS) as required by the Occupational Safety and Health Act; (2) the volume proposed to be used, stored and/or treated at the Premises; (3) the purpose of such Hazardous Material; (4) the proposed on-premises storage location(s); (5) the name(s) of the proposed off-premises disposal entity; and (6) an emergency preparedness plan in the event of a release. Additionally, the Environmental Audit shall include copies of all required federal, state, and local permits concerning or related to the proposed use, storage, or treatment of any Hazardous Material(s) at the Premises. Tenant shall submit a new Environmental Audit whenever it proposes to use, store, or treat a new Hazardous Material at the Premises or when the volume of existing Hazardous Materials to be used, stored, or treated at the Premises expands by ten percent (10%) during any thirty (30) day period. If Landlord, in its reasonable judgment, finds the Environmental Audit acceptable, then Landlord shall deliver to Tenant Landlord's written consent. Notwithstanding such consent, Landlord may revoke its consent upon: (1) Tenant's failure to remain in full compliance with applicable environmental permits and/or any other requirements under any federal, state, or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement (including but not limited to

CERCLA and RCRA)

related to environmental safety, human health, or employee safety; (2) the Tenant's business operations pose or potentially pose a human health risk to other tenants; or (3) the Tenant expands its use, storage, or treatment of any Hazardous Material(s) in a manner inconsistent with the safe operation of a shopping center. Should Landlord consent in writing to Tenant bringing, using, storing or treating any Hazardous Material(s) in or upon the Premises, Tenant shall strictly obey and adhere to any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements (including but not limited to CERCLA and RCRA) which in any way regulate, govern or impact Tenant's possession, use, storage, treatment or disposal of said Hazardous Material(s). In addition, Tenant represents and warrants to Landlord that (1) Tenant shall apply for and remain in compliance with any and all federal, state or local permits in regard to Hazardous Materials; (2) Tenant shall report to any and all applicable governmental authorities any release of reportable quantities of any Hazardous Material(s) as required by any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements; (3) Tenant, within five (5) days of receipt, shall send to Landlord a copy of any notice, order, inspection report, or other document issued by any governmental authority relevant to the Tenant's compliance status with environmental or health and safety laws; and, (4) Tenant shall remove from the Premises all Hazardous Materials at the termination of this Lease.

18. Governing Law. The provisions of this Lease shall be governed by the laws of the State of Minnesota. This Lease may not be amended except in writing signed by all of the parties. No waiver of any provision hereunder shall be effective unless in writing signed by the party waiving its rights.

19. Complete Agreement. This Lease constitutes the entire agreement between Landlord and Tenant, and there are no other oral or written agreements or inducements between them with respect to the Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

S&D LAND HOLDINGS, INC.,
a Minnesota corporation

By ___________________________________
Its___________________________________

FAMOUS DAVE'S OF MINNEAPOLIS INC.,
a Minnesota corporation

By ___________________________________
Its___________________________________

EXHIBIT 10.4

ROSEVILLE SITE

SUBLEASE AGREEMENT

This Sublease is made effective January 1, 1996, by S&D Land Holdings, Inc., a Minnesota corporation ("Sublandlord"), and Famous Dave s of Minneapolis, Inc., a Minnesota corporation ("Subtenant").

RECITALS:

A. S&D Land Holdings, Inc. (S&D) has assumed the obligations of Lessee under that certain Agreement of Lease dated November 29, 1972 and Tenant under that certain Agreement Concerning Sublease dated March 19, 1987 (hereinafter, collectively Lease). H. Richard Knutson and Jane E. Knutson are the fee owners and Landlords (Owner) under said Lease covering the real estate located at 2131 North Snelling Avenue in the City of Roseville, Ramsey County, Minnesota (Property).

B. A restaurant building and parking lot (Improvements) are located upon the Property (together the Property and Improvements are referred to as Premises).

C. Sublandlord desires to sublease the Premises to Subtenant and Subtenant desires to sublease the Premises from Sublandlord.

NOW, THEREFORE, the parties agree as follows:

1. Lease Agreement. This Sublease incorporates all of the terms and conditions of the Lease and Subtenant shall abide by all of the terms thereof. In the event the terms and conditions of the Lease are inconsistent with the Sublease, the Sublease shall control, provided however in no event shall the obligations of the Subtenant under this Sublease be less than the obligations of Sublandlord under the Lease. This Sublease is subject to all terms, conditions and requirements of the Lease. Except as otherwise provided in this Sublease, all defined terms in the Lease shall have the same meaning in this Sublease. The terms and conditions of the Lease shall be construed and apply to this Sublease as though the Landlord under the Lease were the Sublandlord under this Sublease and the Tenant under the Lease were the Subtenant under this Sublease. Sublandlord shall have all of the rights and remedies against the Subtenant that the Landlord has against the Sublandlord. Subtenant shall indemnify and hold Sublandlord harmless from and against all liability arising out of the use and/or possession of the Premises by the Subtenant and any violation of the Lease or this Sublease by Subtenant. Subtenant represents that it has read the Lease and is familiar with the terms and conditions thereof.

2. Sublease Agreement. Sublandlord hereby subleases the Premises to Subtenant and Subtenant hereby subleases the Premises from Sublandlord subject to the terms and conditions contained herein.

3. Term. The term of this Sublease shall commence January 1, 1996 (Commencement Date), and unless earlier terminated or extended as provided herein, and shall terminate on May 31, 2003 (Initial Term).

4. Renewal Term.

a. Sublandlord shall exercise its option to extend the Third

Extended Term in accordance with the provisions contained in Article 3 of the Agreement of Lease.

b. Subtenant has the right to extend the Sublease for one (1) five year term (Renewal Term) by giving Sublandlord at least four hundred thirty (430) days advance written notice (Renewal Notice) of its election to so extend. In such event, Sublandlord shall immediately exercise its option to extend the Fourth Extended Term in accordance with the provisions contained in Article 3 of the Agreement Concerning Sublease.

5. Rent.

a. Subtenant will pay rent of Six Thousand Eight Hundred Fifty dollars ($6,850) per month (Rent) to Sublandlord commencing on the Commencement Date and payable in advance on the first day of each month thereafter during the first Sublease year. Rent shall be increased on January 1, 1997 and each succeeding January 1st thereafter until the expiration of the Initial Term or any Renewal Term according to the following computation:

Each January 1st, Rent for such calendar year will be increased (but not decreased) by the percentage difference between the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All items and Major Group Figures for Urban Wage Earners and Clerical Workers (1982-84=100) (CPI) for the preceding month of December and the CPI for the base year. For purposes of this Sublease, the base year is 1995 ("Base Year") and the price index for the Base Year shall mean the average of the monthly indexes for each of the twelve months (12) of the Base Year. In no event should the Rent payable in any year be reduced during the next subsequent year due to a decrease in the CPI.

6. Additional Rent.

a. Subtenant agrees to pay all Rent required to be paid under the Lease in the amounts and at the times specified therein;

b. Subtenant shall pay before penalty attaches, all costs of maintenance, repairs, utilities, real estate and any other taxes, insurance and any and all other expenses necessary in

connection with the operation or maintenance of the Premises (the amount specified in this section being referred to as Additional Rent).

7. Use.

a. Subtenant may use and occupy the Premises solely for restaurant/entertainment purposes and for no other purpose unless Subtenant has first obtained Sublandlord s written consent. Subtenant shall not use or occupy the Premises for any unlawful purpose, and will comply with all present and future laws, statutes, ordinances, orders, rules, codes, regulations, decrees and requirements of all governmental units (including any agency, department, commission, board, bureau or subdivision thereof) having jurisdiction over the Premises (collectively "Legal Requirements").

b. Sublandlord, its agents, contractors or employees may enter the Premises at reasonable hours to inspect the Premises and at any time in response to an emergency.

8. Assignment and Subletting.

a. There shall be no Assignment or Subletting of the Premises by Subtenant without in each case, obtaining the prior written consent of Sublandlord, which consent may be granted or withheld in Sublandlord's sole discretion.

b. Sublandlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder.

9. Maintenance and Repair.

a. Subtenant shall, at all time during the term of this Sublease, at its sole cost and expense, keep and maintain the Premises (including without limitation all Improvements, fixtures, and equipment on the Premises) in good order, repair and condition, and will make all repairs and replacements including, but not limited to heating, ventilating and air conditioning systems, structural components of the Improvements, down spouts, fire sprinkler system, dock bumpers, lawn maintenance, pest control and extermination, and trash pick-up and removal. Subtenant shall repair and pay for any destruction caused by any act or omission of Subtenant or Subtenant's agents, employees, invitees, licensees or visitors, but shall not be obligated to pay for destruction to the Premises caused by the negligence of Sublandlord, its agents or employees.

b. Subtenant agrees to maintain, at Subtenant's sole cost and expense all improvements, fixtures and equipment installed in the Premises; to use the Premises in a prudent and orderly manner; to suffer no waste or injury to the Premises or any improvements or fixtures therein; and at the expiration or other termination of this Sublease, to surrender the same with all improvements in the same order and condition in which they were on the Commencement Date, or in such better condition as they may thereafter be put, except for ordinary wear and tear and destruction by insured casualty.

c. In the event Subtenant fails to make the repairs or maintain the Premises as required hereunder, Sublandlord may make such repairs or perform such maintenance items at the expense of Subtenant which expense shall be collected as Additional Rent.

10. Alterations; Signs; Equipment.

a. Subtenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises without first obtaining the prior written consent of Sublandlord which consent shall not be unreasonably withheld or delayed. All alterations, decorations, additions or improvements shall be made in accordance with all Legal Requirements and insurance guidelines and shall be performed in a good and workmanlike manner by contractors approved by Sublandlord.

b. Upon completion of any alterations, decorations, additions or improvements, Subtenant shall deliver to Sublandlord evidence of payment, contractors' affidavits and full and final lien waivers for all labor, services, or materials performed or supplied in connection with such alteration, decoration, addition or improvement. Subtenant shall indemnify, defend (at Sublandlord's request and with counsel approved by Sublandlord) and hold Sublandlord harmless from and against all losses, costs,

damages, claims, liabilities, causes of action and expenses (including attorneys' fees and disbursements, whether suit is commenced or not) arising out of or relating to any alterations, decorations, additions or improvements that Subtenant or any of its contractors make to the Premises, including any occasioned by the filing of any mechanic's, material supplier s, construction or other liens or claims (and all costs or expenses associated therewith) asserted, filed or arising out of any such work. Without limiting the generality of the foregoing, Subtenant shall repair or cause to be repaired at its expense all damage caused by any of its contractors, subcontractors or their employees or agents. Subtenant shall reimburse Sublandlord for any costs incurred by Sublandlord to repair any damage caused by any of Subtenant's contractors. Subtenant shall also reimburse Sublandlord upon demand for any costs Sublandlord may incur to have an engineer review all mechanical, structural, electrical, plumbing and life safety systems installed by any of Subtenant's contractors.

c. All alterations, decorations, additions or improvements in or to the Premises made by Subtenant shall become the property of Sublandlord upon the expiration or termination of this Sublease and shall remain upon and be surrendered with the Premises as a part thereof without disturbance or injury, unless Sublandlord requires Subtenant to demolish the Improvements at Subtenant's sole cost and expense, in which event Subtenant shall demolish the same prior to the expiration or termination of this Sublease and shall repair any damage to the Property caused thereby.

d. Subtenant shall not place or maintain any sign, advertisement or notice on any part of the outside of the Premises or any area visible from outside the Premises, without first obtaining the prior written consent of Sublandlord, which consent shall not be unreasonably withheld or delayed. All signage approved by Sublandlord shall be in conformance with all Legal Requirements.

11. Casualty and Insurance.

a. Substantial Destruction. If the Premises should be totally destroyed by fire or other casualty so that rebuilding cannot reasonably be completed within ninety days after such destruction, Subtenant's obligations to pay Rent and Additional Rent shall abate from the date of such destruction, and either Sublandlord or Subtenant shall have the right to terminate this Sublease by giving written notice thereof to each other within thirty (30) days after the date of such destruction.

b. Partial Destruction. If the Premises should be partially damaged by fire or other casualty, and rebuilding or repairs can reasonably be completed within ninety days from the date of the destruction (without taking into account the availability of funds or insurance proceeds), this Sublease shall not terminate, and Subtenant shall at its sole risk and expense proceed with reasonable diligence to rebuild or repair the building or other improvements to substantially the same condition in which they existed prior to the destruction. There shall be no abatement of Rent or Additional Rent following such destruction. In the event that Subtenant fails to complete the necessary repairs or rebuilding within one hundred eighty (180) days from the date of the destruction (force majeure excepted), Sublandlord may at its option terminate this Sublease by delivering written notice of termination to Subtenant, whereupon all rights and obligations under this Sublease shall cease to exist.

c. Insurance. Subtenant shall maintain at its expense standard fire and extended coverage, or all risk policy of insurance covering one hundred percent (100%) replacement cost on (i) the Premises,

(ii) all of its personal property, including removable trade fixtures, located in the Premises and (ii) all of the Improvements and any improvements (including fixtures) made by, for or on behalf of Subtenant. Sublandlord and Owner shall be named as an additional loss payee with respect to the insurance described herein.

Subtenant shall maintain commercial general liability occurrence policy insurance with the premiums thereon fully paid on or before the due dates which affords minimum protection (which may be affected by primary and/or excess coverage) of not less than Two Million dollars ($2,000,000) combined single limit provided Subtenant shall carry such greater limits of coverage as Sublandlord may deem reasonable from time to time. Sublandlord and Owner shall be named as an additional insured on Subtenant's policy. Subtenant shall deliver to Sublandlord certificates evidencing maintenance of the insurance required herein.

d. Insurance Carrier. Any insurance required under this Section shall be issued by a company authorized to do business in the State of Minnesota and having an A.M. Best & Company, Inc. rating of A or higher and a financial size category of not less than X and shall require thirty (30) days advance notice to Sublandlord and Owner before cancellation or alteration. Subtenant shall deliver to Sublandlord and Owner certificates evidencing maintenance of the insurance required herein.

e. Waiver of Subrogation. Sublandlord and Subtenant each hereby waive and release each other from any loss or damages arising from any cause covered by insurance against each other, their agents, officers and employees, by any reason, regardless of cause or origin, including the negligence or willful misconduct of Sublandlord or Subtenant and their agents, officers and employees. Subtenant agrees to immediately give its insurance company which has issued policies of insurance covering all risk of direct physical loss, written notice of the terms of the mutual waivers contained in this section and to have the insurance policy properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers.

12. Condemnation.

a. Total Taking. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of that right (in either case a "taking"), all of the Premises are taken or if so much of the Premises are taken that the Premises (even if the restorations described in subparagraph (b) were to be made) cannot be used by Subtenant for the purposes for which they were used immediately before the taking, this Sublease will end on the earlier of the vesting of title to the Premises in the condemning authority, or the taking of possession of the Premises by the condemning authority (in either case the "Ending Date"). The award in a taking subject to this subparagraph (a) will be allocated according to subparagraph (d).

b. Partial Taking. If, after a taking, so much of the Premises remains that the Premises can be used for substantially the same purposes for which they were used immediately before the taking, (i) this Sublease will end on the Ending Date as to the part of the Premises that is taken, (ii) beginning on the day after the Ending Date, Rent for so much of the Premises as remains will be reduced in the proportion of the floor area of the building remaining after the taking to the floor area of the building before the taking, (iii) at its cost, Subtenant will restore so much

of the Premises as remains to a sound architectural unit substantially suitable for the purposes for which they were used immediately before the taking, using good workmanship and new first class materials, all according to Sections 9 and 10, (iv) upon the completion of restoration according to clause (iv), Sublandlord will pay Subtenant the lesser of the net award made to Sublandlord on account of the taking (after deducting from the total award, attorney's , appraiser's and other costs incurred in connection with obtaining the award, and amounts paid to the holders of mortgages affecting the Premises) or Subtenant's actual out-of-pocket cost of restoring the Premises, and (v) Sublandlord will keep the balance of the net award.

c. Subtenant's Award. In connection with any taking subject to subparagraph (a) or (b), Subtenant may prosecute its own claim by separate proceedings against the condemning authority for damages legally due to it (such as the loss of fixtures that Subtenant was entitled to remove, and moving expenses) only so long as Subtenant's award does not diminish or otherwise adversely affect Sublandlord's award.

d. Allocation of an Award for a Total Taking. If this Sublease ends according to subparagraph (a), the condemnation award will be paid in the order in this subparagraph to the extent it is sufficient:

i. First, Sublandlord will be reimbursed for its attorneys' fees, appraisal fees, and other costs incurred in prosecuting the claim for an award;

ii. Second, Sublandlord will be paid for lost Rent and Additional Rent and the value of the reversion (excluding any future Renewal Term) as of the Ending Date;

iii. Third, Subtenant will be paid its adjusted book value as of the date of the taking of Subtenants improvements (excluding trade fixtures) made to the Premises. In computing its adjusted book value, improvements will be conclusively presumed to have been depreciated or amortized for federal income tax purposes over their useful lives with a reasonable salvage value;

iv. Fourth, the balance will be divided equally between Sublandlord and Subtenant.

13. Default.

a. Any one of the following events shall constitute an event of default ("Event of Default"):

i. Subtenant shall fail to pay any installment of Rent and/or Additional Rent as herein provided, and such default shall continue for a period of five (5) days after notice from Sublandlord;

ii. Subtenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Subtenant and such default shall continue for thirty (30) days after notice from Sublandlord; provided, however, that if the nature of such default is such that Subtenant can cure the default, but not within thirty (30) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Subtenant commences to cure the default within said thirty (30) day period and thereafter diligently and

continuously prosecutes the curing of the default to completion with such additional thirty (30) day period, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises;

iii. Subtenant shall fail to commence occupancy of the Premises promptly upon the Commencement Date or shall vacate or abandon the Premises or any portion thereof at any time during the Initial Term or any Renewal Term thereof; or

iv. If (1) the interest of Subtenant under this Sublease shall be levied upon under execution or other legal process, (2) any petition shall be filed by or against Subtenant to declare Subtenant bankrupt or to delay, reduce or modify Subtenant's debts or obligations, (3) Subtenant shall be declared insolvent according to law, or (4) any assignment of Subtenant's property shall be made for the benefit of creditors, or a receiver or trustee is appointed for Subtenant or its property (provided that no such levy, execution, legal process or petition filed against Subtenant shall constitute a breach of this Sublease if Subtenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation, service or filing).

v. If Subtenant is a partnership or other entity and Subtenant shall be dissolved or otherwise liquidated, except in connection with a merger, consolidation or other reorganization resulting in continuation of Subtenant's business substantially as previously conducted, then Sublandlord may treat the occurrence of any one or more of the foregoing events as a breach of this Sublease and thereupon, at Sublandlord's option, may have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity.

b. If an Event of Default shall have occurred and be continuing:

i. Sublandlord may terminate this Sublease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Premises (including attorneys' fees, disbursements of counsel and any costs of suit), (ii) the unpaid Rent and Additional Rent earned at the time of termination, plus interest thereon at the then prevailing interest rate, (iii) the present value (discounted at the rate published from time to time as the discount rate for the Federal Reserve Bank of Minneapolis) of the balance of the Rent and/or Additional Rent for the remainder of the term less the present value (discounted at the same rate) of the amount Subtenant reasonably demonstrates that Sublandlord would in all likelihood receive from leasing the Premises to another tenant for said period, taking into account the cost of reletting, the then-current market conditions, the time the Premises was vacant and other similar costs, and (iv) any other sum of money and damages owed by Subtenant to Sublandlord.

ii. Sublandlord may terminate Subtenant's right of possession (without terminating this Sublease) and may repossess the Premises by unlawful detainer suit or otherwise, without thereby releasing Subtenant from any liability hereunder and without demand or notice of any kind to Subtenant and without terminating this Sublease, in which event Sublandlord may, but shall be under no obligation to do so, relet the same for the account of Subtenant for such rent and upon such terms as shall be satisfactory to Sublandlord. For the purpose of such reletting Sublandlord is authorized to decorate or to make any repairs, changes, alterations or additions to the Premises as may be reasonably necessary or

desirable in Sublandlord's judgment, and (i) if Sublandlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Sublandlord), the unpaid Rent and Additional Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the then prevailing interest rate, the cost of recovering possession (including attorneys' fees,

disbursements of counsel and any costs of suit), all of the costs and expenses of such decorations, repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the rent accruing therefrom) to satisfy the Rent and Additional Rent provided for in this Sublease to be paid, then (i) Subtenant shall pay to Sublandlord as damages if the Premises are not relet, a sum equal to the amount of the Rent and Additional Rent reserved in this Sublease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and any costs of suit), the unpaid Rent and Additional Rent earned at the time of repossession plus interest thereon at the then prevailing interest rate, and the costs incurred in any attempt by Sublandlord to relet the Premises, or (ii) if the Premises have been relet, the Subtenant shall satisfy and pay any such deficiency. Any such payments due Sublandlord shall be made upon demand therefor from time to time and Subtenant agrees that Sublandlord may file suit to recover any sums falling due under the terms of this Section 13 from time to time. No delivery to or recovery by Sublandlord of any portion due Sublandlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Sublandlord, nor shall such reletting be construed as an election on the part of Sublandlord to terminate this Sublease unless a written notice of such intention be given to Subtenant by Sublandlord. Notwithstanding any such reletting without termination, Sublandlord may at any time thereafter elect to terminate this Sublease for such previous breach.

c. In the event of a breach by Subtenant of any of the agreements, conditions, covenants or terms hereof, Sublandlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnities or reimbursements are herein provided. The rights and remedies given to Sublandlord in this Sublease are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Sublandlord, shall be deemed to be in exclusion of any of the others.

d. In the interest of minimizing the time and expense of any litigation between the parties hereto, Sublandlord and Subtenant each hereby do waive the right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Sublease, the relationship of Sublandlord and Subtenant, Subtenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy.

e. In addition to all other remedies of Sublandlord, Sublandlord shall be entitled to reimbursement upon demand of all attorneys' fees and disbursements of counsel incurred by Sublandlord in connection with any Event of Default, whether suit is initiated or not.

f. Sublandlord shall in no event be considered to be in default of Sublandlord's obligations hereunder until the expiration of a reasonable time after notice of default from Subtenant.

14. Sublandlord's Right to Cure Defaults; Late Payments.

If Subtenant defaults in the making of any payment, or in the doing of any act herein required to be made or done by Subtenant, or does or suffers any act prohibited herein, then Sublandlord may,

but shall not be required to, make such payment or do such act, or correct any damage caused by such prohibited act and enter the Premises as appropriate in connection therewith. Subtenant shall reimburse Sublandlord on demand for all costs and expenses incurred by Sublandlord in curing any such default plus a charge of ten percent (10%) of the amount of such costs and expenses, together with interest thereon at the then prevailing interest rate from the date such sums are incurred by Sublandlord. Notwithstanding the foregoing, the making of any such payment or the doing of any such act by Sublandlord shall not operate to cure such default or to estop Sublandlord from the pursuit of any remedy to which Sublandlord would otherwise be entitled. If any installment of Rent or Additional Rent is not paid by Subtenant when due and payable: (i) a one-time late charge in the amount of five percent (5%) of the delinquent installment shall become immediately due and payable as compensation to Sublandlord for administrative costs; and (ii) the unpaid balance due Sublandlord shall bear interest at the then prevailing interest rate from the date such installment became due and payable to the date of payment thereof by Subtenant, and such interest shall constitute Additional Rent hereunder which shall be immediately due and payable.

15. Covenant of Quiet Enjoyment. Subject to other terms of this Sublease, if Subtenant shall pay the Rent and Additional Rent and comply with the terms and conditions of this Sublease to be performed by Subtenant, Subtenant shall, during the term hereby created, freely, peaceably and quietly occupy and enjoy the full possession of the Premises, provided Sublandlord shall not be liable for any breach of such covenants resulting from the actions or inaction of the Sublandlord.

16. Indemnification, Waiver and Release.

a. Indemnification. Subtenant shall indemnify and hold Sublandlord, its officers, directors, shareholders, agents and employees harmless from and against any and all demands, claims, fines, damages, losses, liabilities, liens, judgments and expenses (including, without limitation, attorneys' fees and court costs) incurred in connection with or arising from: (i) the use or occupancy of the Premises by Subtenant or any person claiming under Subtenant; (ii) any activity, work or thing done or permitted or suffered by Subtenant to be done in or about the Premises; (iii) any acts, omissions or negligence of Subtenant or any person claiming under Subtenant or the contractors, agents, employees, invitees or visitors of Subtenant or any such person; (iv) any breach, violation or nonperformance by Subtenant, any person claiming under Subtenant or the employees, agents, contractors, invitees, or visitors of Subtenant, (v) any injury or damage to the person, property or business of Subtenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Subtenant; or (vi) any actions taken by Sublandlord to enforce the foregoing right of indemnification against Subtenant, except if any of the above-listed events are the result of the gross negligence or willful misconduct of Sublandlord, its directors, officers, shareholders, agents or employees. If any action or proceeding is brought against Sublandlord, its officers, shareholders, agents or employees by reason of any such claim,

Subtenant, upon notice from Sublandlord, shall defend the claim at Subtenant s expense with counsel reasonably satisfactory to Sublandlord.

b. Waiver and Release. Subtenant waives and releases all claims against Sublandlord, its officers, shareholders, agents and employees with respect to all matters arising out of Subtenant's use and occupancy of the Premises, except if the result of the gross negligence or wilful misconduct of Sublandlord, its directors, officers, shareholders, agents or employees.

17. Mutual Estoppel. Either party may request from the other party, an estoppel certificate to be executed in recordable form and to any person designated in a written request which (a) ratifies this Sublease; (b) states the commencement and termination dates; and (c) certifies (i) that this Sublease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated), (ii) that all conditions under this Sublease to be performed have been satisfied (stating exceptions, if any), (iii) that no defenses or offsets against the enforcement of this Sublease exist (or stating those claimed): (iv) as to advance rent, if any, paid by Subtenant, (v) the date to which Rent and Additional Rent have been paid, (vi) the amount of security deposited with Sublandlord, and such other information as may reasonably be requested. Persons receiving such estoppel certificates shall be entitled to rely upon them.

18. Hazardous Waste. Subtenant shall not, without the prior written consent of Sublandlord, cause or permit, knowingly or unknowingly, any Hazardous Material (hereinafter defined) to be brought or remain upon, kept, used, discharged, leaked, or emitted in or about, or treated at the Premises. As used in this Sublease, "Hazardous Material(s)" shall mean any hazardous, toxic or radioactive substance, material, matter or waste which is or becomes regulated by any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement, and shall include asbestos, petroleum products and the terms "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended 42 U.S.C. # 9601 et seq. ("CERCLA"), and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. # 6901 et seq. ("RCRA"). To obtain Sublandlord's consent, Subtenant shall prepare and Environmental Audit for Sublandlord's review. Such Environmental Audit shall list: (1) the name(s) of each Hazardous Material and a Material Safety Data Sheet (MSDS) as required by the Occupational Safety and Health Act; (2) the volume proposed to be used, stored and/or treated at the Premises; (3) the purpose of such Hazardous Material; (4) the proposed on-premises storage location(s); (5) the name(s) of the proposed off-premises disposal entity; and (6) an emergency preparedness plan in the event of a release. Additionally, the Environmental Audit shall include copies of all required federal, state, and local permits concerning or related to the proposed use, storage, or treatment of any Hazardous Material(s) at the Premises. Subtenant shall submit a new Environmental Audit whenever it proposes to use, store, or treat a new Hazardous Material at the Premises or when the volume of existing Hazardous Materials to be used, stored, or treated at the Premises expands by ten percent (10%) during any thirty (30) day period. If Sublandlord, in its reasonable judgment, finds the Environmental Audit acceptable, then Sublandlord shall deliver to Subtenant Sublandlord's written consent. Notwithstanding such consent, Sublandlord may revoke its consent upon: (1) Subtenant's failure to remain in full compliance with applicable environmental permits and/or any other requirements under any federal, state,

or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement (including but not limited to CERCLA and RCRA) related to

environmental safety, human health, or employee safety; (2) the Subtenant's business operations pose or potentially pose a human health risk to other tenants; or (3) the Subtenant expands its use, storage, or treatment of any Hazardous Material(s) in a manner inconsistent with the safe operation of a shopping center. Should Sublandlord consent in writing to Subtenant bringing, using, storing or treating any Hazardous Material(s) in or upon the Premises, Subtenant shall strictly obey and adhere to any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements (including but not limited to CERCLA and RCRA) which in any way regulate, govern or impact Subtenant's possession, use, storage, treatment or disposal of said Hazardous Material(s). In addition, Subtenant represents and warrants to Sublandlord that (1) Subtenant shall apply for and remain in compliance with any and all federal, state or local permits in regard to Hazardous Materials; (2) Subtenant shall report to any and all applicable governmental authorities any release of reportable quantities of any Hazardous Material(s) as required by any and all federal, state or local laws, ordinances, orders, rules, regulations, codes or any other governmental restrictions or requirements; (3) Subtenant, within five (5) days of receipt, shall send to Sublandlord a copy of any notice, order, inspection report, or other document issued by any governmental authority relevant to the Subtenant's compliance status with environmental or health and safety laws; and, (4) Subtenant shall remove from the Premises all Hazardous Materials at the termination of this Sublease.

19. Governing Law. The provisions of this Sublease shall be governed by the laws of the State of Minnesota. This Sublease may not be amended except in writing signed by all of the parties. No waiver of any provision hereunder shall be effective unless in writing signed by the party waiving its rights.

20. Complete Agreement. This Sublease constitutes the entire agreement between Sublandlord and Subtenant, and there are no other oral or written agreements or inducements between them with respect to the Premises.

21. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be an original but one of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease Agreement as of the date first written above.

S&D LAND HOLDINGS, INC.,
a Minnesota corporation

By__________________

Its_________________

FAMOUS DAVE'S OF MINNEAPOLIS, INC.,
a Minnesota corporation

By__________________
Its ________________

EXHIBIT 10.6

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

This Assignment and Assumption of Lease Agreement dated as of May 13, 1996, by and among Carlson Real Estate Company, a Minnesota limited partnership ("Carlson"), Innovative Gaming, Inc. formerly a Minnesota corporation, now a Nevada corporation ("Innovative"), and Famous Dave's of America, Inc., a Minnesota corporation ("Famous Dave's").

RECITALS:

A. Carlson is the owner of the real estate legally described on Lots 2, 4, 5, 6, 7 and 8, Block 1, Minneapolis Industrial Park Third Addition and Lot 1, Block 1, Minneapolis Industrial Park Fourth Addition ("Property") and has leased a portion of the Property in Building "5" containing approximately 7,850 square feet of office/warehouse space ("Premises" as that term is defined in the Lease) to Innovative pursuant to that certain Plymouth Oaks Park Lease dated as of June 29, 1993 (the "Lease").

B. Famous Dave's desires to assume the Lease from Innovative and Innovative desires to assign the Lease to Famous Dave's.

C. Provided Innovative is not in default under the terms of the Lease, Carlson will consent to the assignment of the Lease to Famous Dave's so long as Innovative continues to remain liable under the Lease.

NOW, THEREFORE, Carlson, Innovative and Famous Dave's, in consideration of Ten Dollars and other good and valuable consideration and the covenants and conditions set forth herein, hereby agree as follows:

1. Innovative hereby assigns all of its rights and obligations under the Lease to Famous Dave's commencing August 31, 1996 ("Commencement Date") and further agrees to

remain liable thereunder for the performance of all of the terms, conditions and obligations to be performed by Innovative including, but not limited to, the payment of Rent and other sums.

2. Famous Dave's hereby assumes all of Innovative's rights and obligations under the Lease commencing August 31, 1996. It is understood and agreed that Famous Dave's does not assume any responsibilities or obligations under the Lease arising prior to the Commencement Date. In connection therewith, Famous Dave's will commence paying Rent directly to Carlson at its Lockbox Address, P.O. Box C/M 9471, St. Paul, MN 55170-9471 (or such other address designated by Carlson in writing to Famous Dave's) for the Premises at an annual rate of Forty-Seven Thousand Four Hundred Fourteen and 04/100 Dollars ($47,414.04), payable in monthly installments of $3,951.17 and continuing on the first day of each month thereafter during the term of the Lease. Famous Dave's also agrees to pay as additional Rent for the Premises and during the term of the Lease commencing August 31, 1996 as follows:

(i) Pro rata share of all real estate taxes and installments of special assessments assessed against the Premises in accordance with Paragraph 8B of this Lease;

(ii) All utility charges incurred for the Premises in accordance with Paragraph 12 of the Lease;

(iii) Pro rata share of Operating Expenses relating to the Premises in accordance with Paragraph 8A of the Lease;

(iv) Any premiums required to be paid in order to carry and maintain all insurance required under Paragraph 16 of the Lease.

3. Famous Dave's shall use the Premises for offices, storage, test-kitchen/commissary purposes and such other use to which Carlson may consent. Any use by Famous Dave's shall be subject to compliance with all local codes and ordinances.

4. Any notice or demand required to be given under the Lease shall be given to Famous Dave's of America, Inc., 12700 Industrial Park Boulevard, Minneapolis, MN 55441 and to Innovative at , Reno, Nevada, Attn: CEO all in accordance with Paragraph 24 of the Lease.

5. Carlson hereby agrees that Famous Dave's, at its expense, may fill in the loading dock to create a truck ramp, enlarge the existing overhead door to standard loading door height and replace the overhead door, provided that, at the time Famous Dave's vacates the Premises, it will return the loading dock to existing condition upon request of Carlson.

6. The Premises have been improved by Carlson pursuant to Paragraph 3 of the Lease. If Famous Dave's requires or desires alterations or additions to the Premises, such alterations or additions shall be subject to the written approval of Carlson in accordance with the Lease, and Famous Dave's shall be responsible to furnish and install, at its expense, all such alterations and additions. Famous Dave's shall submit plans to Carlson and obtain all required permits prior to the commencement of any work.

7. Innovative hereby warrants and represents, for the benefit for Carlson and Famous Dave's, that the following statements are true and correct:

A. The Lease represents the entire agreement between Innovative and Carlson as to the subject matter thereof.

B. No default by Carlson exists in the performance or observance of any covenant or condition in the Lease and there are no defenses or offsets against the enforcement of the Lease by Carlson.

8. Carlson hereby warrants and represent, for the benefit of Famous Dave's, that the following statements are true and correct:

A. The Lease represents the entire agreement between Innovative and Carlson as to the subject matter thereof.

B. As of the date hereof, no default by Innovative exists in the performance or observance of any covenant or condition in the Lease.

C. The total monthly Rent currently due under the Lease is $5,433.00 (including pro rata Operating Expense and Real Estate Taxes).

9. It is understood and agreed that Famous Dave's shall be responsible for any additional rent due Landlord as a result of the 1996 year end reconciliations of Operating Expenses and Real Estate Taxes due pursuant to the Lease. Conversely, Famous Dave's shall be entitled to any rent credits that may be due it as a result of 1996 year end reconciliations of Operating Expenses and Real Estate Taxes due pursuant to the Lease.

IN WITNESS WHEREOF the parties have caused this Assignment and Assumption of Lease Agreement to be executed in their respective names, all as of the date first above written.

FAMOUS DAVE'S OF AMERICA, INC., INNOVATIVE GAMING, INC.,

a Minnesota corporation a Nevada corporation

BY: __________________________ BY: ____________________________

Its: President Its: VP Director of Compliance

CARLSON REAL ESTATE COMPANY,

a Minnesota limited partnership

By ____________________________

Its ___________________________

EXHIBIT 10.6

SIDE AGREEMENT

This Agreement made this 16th day of May, 1996 by and between Innovative Gaming, Inc., formerly a Minnesota corporation, now a Nevada corporation ("Innovative") and Famous Dave's of America, Inc., a Minnesota corporation ("Famous Dave's").

R E C I T A L S

A. Innovative has assigned that certain Plymouth Oaks Park Lease dated as of June 29, 1993 (the "Lease") to Famous Dave's pursuant to an Assignment and Assumption of Lease Agreement ("Assignment Agreement").

B. Innovative has agreed to allow Famous Dave's early occupancy of a portion of the premises covered by the Lease, agreed to give Famous Dave's one month's free rent, and to sell to Famous Dave's certain office furniture.

C. Innovative and Famous Dave's desire to document their Agreement with respect to the matters identified in A and B above.

D. Capitalized terms used herein shall have the same meaning ascribed to

them in the Lease and Assignment and Assumption Agreement.

NOW THEREFORE, in consideration of $10.00 (Ten and no/100 Dollars) and other good and valuable consideration and the covenants and conditions set forth herein, the parties agree as follows:

1. The Assignment Agreement provides that Famous Dave's will assume all of Innovative's rights and obligations (including payment of Rent) under the Lease on August 31, 1996 ("Commencement Date"). Innovative may vacate the Premises earlier than the Commencement Date ("Vacation Date") and in such event the parties hereby agree that Famous Dave's will commence paying Rent as provided for in the Assignment Agreement 30 days after the Vacation Date.

It is expressly understood and agreed that Famous Dave's will assume all of Innovative's rights and obligations under the Lease on the Vacation Date.

2. Famous Dave's will pay to Innovative $23,000 for the office furniture itemized on the attached Exhibit A prior to the Vacation Date.

3. Famous Dave's shall occupy two offices and share the use of the conference room commencing May 16, 1996. Innovative agrees to also make available to Famous Dave's on May 16, 1996, use of a secured storage room (lock to be provided by IGCA) mutually agreed upon by the parties and at no charge to Famous Dave's.

4. Innovative will allow Famous Dave's to add two phone lines, the payment of which shall be made by Famous Dave's, to Innovative's system for use by Famous Dave's until such time as Innovative totally vacates the Premises.

5. During the period May 16, 1996 through the Vacation Date, the parties understand and agree that no alternative and/or improvements will be made to the Premises.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in the respective names as of the date first above written.

INNOVATIVE GAMING, INC.
a Nevada corporation

Date: 5/16/96 By /s/ Craig Bullis
Its VP Dir. of Compliance

FAMOUS DAVE'S OF AMERICA,
a Minnesota corporation

Date: 5/16/96 By /s/ William Timm
Its President

IGCA
Innovative Gaming Corporation of America
12700 Industrial Park Blvd.
Suite 00
Plymouth, MN 35441

Exhibit A

Bus. 612-557-6744
Fax. 612-557-3021

FOLLOWING IS A LIST OF FURNITURE IN THE EXECUTIVE OFFICES ALONG WITH THE BOARD ROOM, ALL FURNITURE IS BLACK OAK

(1) OFFICE OF THE C.E.O.

- -LARGE "U" SHAPED EXECUTIVE DESK WITH LEATHER CHAIR
- -ROUND MEETING TABLE WITH FOUR MATCHING CHAIRS
- -TWO (2) GUEST CHAIRS
- -TWO (2) LEATHER LOVE SEATS AND SMALL COFFEE TABLE

(2) OFFICES OF THE OPERATIONS MGR. AND DIRECTOR OF COMPLIANCE.

- -LARGE "U" SHAPPED EXECUTVE DESK WITH LIGHTED CREDENZA
- -LARGE TWO (2) DRAWER LATERAL FILE
- -ONE GRAY CLOTH EXECUTIVE CHAIR
- -ONE GUEST CHAIR

(3) OFFICE OF THE C.O.O.

- -ONE EXTRA LARGE "U" SHAPED EXECUTIVE DESK WITH LEATHER CHAIR
- -ONE ROUND TABLE WITH FOUR (4) MATCHING CHAIRS
- -TWO (2) GUEST CHAIRS

(4) OFFICE OF THE DIRECTOR OF SALES

- -ONE EXTRA LARGE "U" SHAPED EXECUTIVE DESK WITH LEATHER CHAIR
- -TWO (2) GUEST CHAIRS

(5) BOARD ROOM

- -ONE 3 BY 12 BOARD ROOM TABLE
- -EIGHT (8) BLACK LEATHER EXECUTIVE CHAIRS
- -ONE 2 BY 8 LATERAL FILE CABINET
- -ONE T.V. AND V.C.R. CABINET TO HOLD A 20" T.V.
- -ONE WALL MOUNTED MATCHING CHALK BOARD

* (* 1 Rack from "Gina Sublease space")
* Long-Section in Gina's space Per Ralph.

EXHIBIT 10.7

FAMOUS DAVE'S OF MINNEAPOLIS, INC.

1995 STOCK OPTION AND

COMPENSATION PLAN

1. Purpose. The purpose of this Famous Dave's of Minneapolis, Inc. (the "Company") 1995 Stock Option and Compensation Plan (the "Plan") is to increase stockholder value and to advance the interests of the Company by furnishing a variety of economic incentives ("Incentives") designed to attract, retain and motivate employees and certain key consultants. Incentives may consist of opportunities to purchase or receive shares of Common Stock, $0.01 par value, of the Company ("Common Stock"), monetary payments, or both, on terms determined under this Plan.

2. Administration. The Plan shall be administered by the stock option committee (the "Committee") of the board of directors of the Company. If the Company stock is privately held, the Committee shall consist of one or more directors of the Company as shall be appointed from time to time by the Chairman of the board of directors of the Company. If the Company stock becomes the subject of a public offering, the Committee shall then consist of not less than two directors of the Company who shall be appointed from time to time by the board of directors of the Company, each of which such appointees shall be a "disinterested person" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, and the regulations promulgated thereunder (the "1934 Act"), and the board of directors of the Company may from time to time appoint members of the Committee in substitution for, or in addition to, members previously appointed, and may fill vacancies, however caused, in the Committee. If more than one person is on the Committee, the following shall apply: (a) the Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as it shall deem advisable; (b) a majority of the Committee's members shall constitute a quorum; (c) all action of the Committee shall be taken by the majority of its members; and (d) any action may be taken by a written instrument signed by majority of the members and actions so taken shall be fully effective as if they had been made by a majority vote at a meeting duly called and held. The Committee may appoint a secretary, shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable. The Committee shall have complete authority to award Incentives under the Plan, to interpret the Plan, and to make any other determination which it believes necessary and advisable for the proper administration of the Plan. The Committee's decisions and matters relating to the Plan shall be final and conclusive on the Company and its participants.

3. Eligible Participants. Employees of or consultants to the Company or its subsidiaries or affiliates (including officers and directors, but excluding directors who are not also employees of or consultants to the Company or its subsidiaries or affiliates), shall become eligible to receive Incentives under the Plan when designated by the Committee. Participants may be designated individually or by groups or categories (for example, by pay grade) as the Committee deems appropriate. Participation by officers of the Company or its subsidiaries or affiliates and any performance objectives relating to such officers must be approved by the Committee. Participation by others and any performance objectives relating to others may be approved by groups or categories

(for example, by pay grade) and authority to designate participants who are not officers and to set or modify such targets may be delegated.

4. Types of Incentives. Incentives under the Plan may be

granted in any one or a combination of the following forms: (a) incentive stock options and non-statutory stock options (section 6); (b) stock appreciation rights ("SARs") (section 7); (c) stock awards (section 8); (d) restricted stock (section 8); (e) performance shares (section 9); and (f) cash awards (section 10).

5. Shares Subject to the Plan.

5.1 Number of Shares. Subject to adjustment as provided in Section 11.6, the number of shares of Common Stock which may be issued under the Plan shall not exceed 250 shares of Common Stock.

5.2 Cancellation. To the extent that cash in lieu of shares of Common Stock is delivered upon the exercise of a SAR pursuant to Section 7.4, the Company shall be deemed, for purposes of applying the limitation on the number of shares, to have issued the greater of the number of shares of Common Stock which it was entitled to issue upon such exercise or on the exercise of any related option. In the event that a stock option or SAR granted hereunder expires or is terminated or cancelled unexercised as to any shares of Common Stock, such shares may again be issued under the Plan either pursuant to stock options, SARs or otherwise. In the event that shares of Common Stock are issued as restricted stock or pursuant to a stock award and thereafter are forfeited or reacquired by the Company pursuant to rights reserved upon issuance thereof, such forfeited and reacquired shares may again be issued under the Plan, either as restricted stock, pursuant to stock awards or otherwise. The Committee may also determine to cancel, and agree to the cancellation of, stock options in order to make a participant eligible for the grant of a stock option at a lower price than the option to be cancelled.

5.3 Type of Common Stock. Common Stock issued under the Plan in connection with stock options, SARs, performance shares, restricted stock or stock awards, may be authorized and unissued shares.

6. Stock Options. A stock option is a right to purchase shares of Common Stock from the Company. Each stock option granted by the Committee under this Plan shall be subject to the following terms and conditions:

6.1 Price. The option price per share shall be determined by the Committee, subject to adjustment under Section 11.6.

6.2 Number. The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to adjustment as provided in Section 11.6. The number of shares of Common Stock subject to a stock option shall be reduced in the same

proportion that the holder thereof exercises a SAR if any SAR is granted in conjunction with or related to the stock option.

6.3 Duration and Time for Exercise. Subject to earlier termination as provided in Section 11.4, the term of each stock option shall be determined by the Committee but shall not exceed ten years and one day from the date of grant. Each stock option shall become exercisable at such time or times during its term as shall be determined by the Committee at the time of grant. The Committee may accelerate the exercisability of any stock option. Subject to the foregoing and with the approval of the Committee, all or any part of

the shares of Common Stock with respect to which the right to purchase has accrued may be purchased by the Company at the time of such accrual or at any time or times thereafter during the term of the option.

6.4 Manner of Exercise. A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased and accompanied by the full purchase price for such shares. The option price shall be payable in United States dollars upon exercise of the option and may be paid by cash; uncertified or certified check; bank draft; by delivery of shares of Common Stock in payment of all or any part of the option price, which shares shall be valued for this purpose at the Fair Market Value on the date such option is exercised; by instructing the Company to withhold from the shares of Common Stock issuable upon exercise of the stock option shares of Common Stock in payment of all or any part of the option price, which shares shall be valued for this purpose at the Fair Market Value or in such other manner as may be authorized from time to time by the Committee. Prior to the issuance of shares of Common Stock upon the exercise of a stock option, a participant shall have no rights as a stockholder.

6.5 Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options which are intended to qualify as Incentive Stock Options (as such term is defined in Section 422A of the Internal Revenue Code of 1986, as amended):

(a) The aggregate Fair Market Value (determined as of the time the option is granted) of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any participant during any calendar year (under all of the Company's plans) shall not exceed $100,000.

(b) Any Incentive Stock Option certificate authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the options as Incentive Stock Options.

(c) All Incentive Stock Options must be granted within ten years from the earlier of the date on which this Plan was adopted by board of directors or the date this Plan was approved by the stockholders.

(d) Unless sooner exercised, all Incentive Stock Options shall expire no later than 10 years after the date of grant.

(e) The option price for Incentive Stock Options shall be not less than the Fair Market Value of the Common Stock subject to the option on the date of grant.

(f) No Incentive Stock Options shall be granted to any participant who, at the time such option is granted, would own (within the meaning of Section 422A of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the employer

corporation or of its parent or subsidiary corporation.

7. Stock Appreciation Rights. A SAR is a right to receive, without payment to the Company, a number of shares of Common Stock, cash or any combination thereof, the amount of which is determined pursuant to the formula set forth in Section 7.4. A SAR may be granted (a) with respect to any stock option granted under this Plan, either concurrently with the grant of such stock option or at such later time as determined by the Committee (as to all or any portion of the shares of Common Stock subject to the stock option), or (b) alone, without reference to any related stock option. Each SAR granted by the Committee under this Plan shall be subject to the following terms and conditions:

7.1 Number. Each SAR granted to any participant shall relate to such number of shares of Common Stock as shall be determined by the Committee, subject to adjustment as provided in Section 11.6. In the case of a SAR granted with respect to a stock option, the number of shares of Common Stock to which the SAR pertains shall be reduced in the same proportion that the holder of the option exercises the related stock option.

7.2 Duration. Subject to earlier termination as provided in Section 11.4, the term of each SAR shall be determined by the Committee but shall not exceed ten years and one day from the date of grant. Unless otherwise provided by the Committee, each SAR shall become exercisable at such time or times, to such extent and upon such conditions as the stock option, if any, to which it relates is exercisable. The Committee may in its discretion accelerate the exercisability of any SAR.

7.3 Exercise. A SAR may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of SARs which the holder wishes to exercise. Upon receipt of such written notice, the Company shall, within ninety (90) days thereafter, deliver to the exercising holder certificates for the shares of Common Stock or cash or both, as determined by the Committee, to which the holder is entitled pursuant to Section 7.4.

7.4 Payment. Subject to the right of the Committee to deliver cash in lieu of shares of Common Stock (which, as it pertains to officers and directors of the Company, shall comply with all requirements of the 1934 Act), the number of shares of Common Stock which shall be issuable upon the exercise of a SAR shall be determined by dividing:

(a) the number of shares of Common Stock as to which the SAR is exercised multiplied by the amount of the appreciation in such shares (for this purpose, the "appreciation" shall be the amount by which the Fair Market Value of the shares of Common Stock subject to the SAR on the exercise date exceeds (1) in the case of a SAR related to a stock option, the purchase price of the shares of Common Stock under the stock option or (2) in the case of a SAR granted alone, without reference to a related stock option, an amount which shall be determined by the Committee at the time of grant, subject to adjustment under Section 11.6); by

(b) the Fair Market Value of a share of Common Stock on the exercise date.

In lieu of issuing shares of Common Stock upon the exercise of a SAR, the Committee may elect to pay the holder of the SAR cash equal to the Fair Market Value on the exercise date of any or all of the shares which would otherwise be issuable. No fractional shares of Common Stock shall be issued upon the exercise of a SAR; instead, the holder of the SAR shall be entitled to receive a cash adjustment equal to the same fraction of the Fair Market Value of a share of Common Stock on the exercise date or to purchase the portion necessary to make a whole share at its Fair Market Value on the date of exercise.

8. Stock Awards and Restricted Stock. A stock award consists of the transfer by the Company to a participant of shares of Common Stock, without other payment therefor, as additional compensation for services to the Company. A share of restricted stock consists of shares of Common Stock which are sold or transferred by the Company to a participant at a price determined by the Committee (which price shall be at least equal to the minimum price required by applicable law for the issuance of a share of Common Stock) and subject to restrictions on their sale or other transfer by the participant. The transfer of Common Stock pursuant to stock awards and the transfer and sale of restricted stock shall be subject to the following terms and conditions:

8.1 Number of Shares. The number of shares to be transferred or sold by the Company to a participant pursuant to a stock award or as restricted stock shall be determined by the Committee.

8.2 Sale Price. The Committee shall determine the price, if any, at which shares of restricted stock shall be sold to a participant, which may vary from time to time and among participants and which may be below the Fair Market Value of such shares of Common Stock at the date of sale.

8.3 Restrictions. All shares of restricted stock transferred or sold hereunder shall be subject to such restrictions as the Committee may determine, including, without limitation any or all of the following:

(a) a prohibition against the sale, transfer, pledge or other encumbrance of the shares of restricted stock, such prohibition to lapse at such time or times as the Committee shall determine (whether in annual or more frequent installments, at the time of the death, disability or retirement of the holder of such shares, or otherwise);

(b) a requirement that the holder of shares of restricted stock forfeit, or (in the case of shares sold to a participant) resell back to the Company at his or her cost, all or a part of such shares in the event of termination of his or her employment or consulting engagement during any period in which such shares are subject to restrictions;

(c) such other conditions or restrictions as the Committee may deem advisable.

8.4 Escrow. In order to enforce the restrictions imposed by the Committee pursuant to Section 8.3, the participant receiving restricted stock shall enter into an agreement with the Company setting forth the conditions of the grant. Shares of restricted stock shall be registered in the name of the participant and deposited, together with a stock power endorsed in blank, with the

Company. Each such certificate shall bear a legend in substantially the following form:

> The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the 1995 Stock Option and Compensation Plan of Famous Dave's of Minneapolis, Inc. (the "Company"), and an agreement entered into between the registered owner and the Company. A copy of the Plan and the agreement is on file in the office of the secretary of the Company.

8.5 End of Restrictions. Subject to Section 11.5, at the end of any time period during which the shares of restricted stock are subject to forfeiture and restrictions on transfer, such shares will be delivered free of all restrictions to the participant or to the participant's legal representative, beneficiary or heir.

8.6 Stockholder. Subject to the terms and conditions of the Plan, each participant receiving restricted stock shall have all the rights of a stockholder with respect to shares of stock during any period in which such shares are subject to forfeiture and restrictions on transfer, including without limitation, the right to vote such shares. Dividends paid in cash

or property other than Common Stock with respect to shares of restricted stock shall be paid to the participant currently.

9. Performance Shares. A performance share consists of an award which shall be paid in shares of Common Stock, as described below. The grant of performance share shall be subject to such terms and conditions as the Committee deems appropriate, including the following:

9.1 Performance Objectives. Each performance share will be subject to performance objectives for the Company or one of its operating units to be achieved by the end of a specified period. The number of performance shares granted shall be determined by the Committee and may be subject to such terms and conditions, as the Committee shall determine. If the performance objectives are achieved, each participant will be paid in shares of Common Stock or cash. If such objectives are not met, each grant of performance shares may provide for lesser payments in accordance with formulas established in the award.

9.2 Not Stockholder. The grant of performance shares to a participant shall not create any rights in such participant as a stockholder of the Company, until the payment of shares of Common Stock with respect to an award.

9.3 No Adjustments. No adjustment shall be made in performance shares granted on account of cash dividends which may be paid or other rights which may be issued to the holders of Common Stock prior to the end of any period for which performance objectives were established.

9.4 Expiration of Performance Share. If any participant's employment or consulting engagement with the Company is terminated for any reason other than normal retirement, death or disability prior to the achievement of the participant's stated performance objectives, all the participant's rights on the

performance shares shall expire and terminate unless otherwise determined by the Committee. In the event of termination by reason of death, disability, or normal retirement, the Committee, in its own discretion may determine what portions, if any, of the performance shares should be paid to the participant.

10. Cash Awards. A cash award consists of a monetary payment made by the Company to a participant as additional compensation for his or her services to the Company. Payment of a cash award will normally depend on achievement of performance objectives by the Company or by individuals. The amount of any monetary payment constituting a cash award shall be determined by the Committee in its sole discretion. Cash awards may be subject to other terms and conditions, which may vary from time to time and among participants, as the Committee determines to be appropriate.

11. General.

11.1 Effective Date. The Plan will become effective upon its adoption by unanimous written action by all holders of shares of Common Stock. Unless approved within one year after the date of the Plan's adoption by the board of directors, the Plan shall not be effective for any purpose.

11.2 Duration. The Plan shall remain in effect until all Incentives granted under the Plan have either been satisfied by the issuance of shares of Common Stock or the payment of cash or been terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed. No Incentives may be granted under the Plan after the tenth anniversary of the date the Plan is approved by the stockholders of the Company.

11.3 Non-transferability of Incentives. No stock option, SAR, restricted stock or performance award may be transferred, pledged or assigned by the holder thereof except, in the event of the holder's death, by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act, or the rules thereunder, and the Company shall not be required to recognize any attempted assignment of such rights by any participant. During a participant's lifetime, an Incentive may be exercised only by him or her or by his or her guardian or legal representative.

11.4 Effect of Termination or Death. In the event that a participant ceases to be an employee of or consultant to the Company for any reason, including death, any Incentives may be exercised or shall expire at such times as may be determined by the Committee.

11.5 Additional Condition. Notwithstanding anything in this Plan to the contrary: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of Common Stock pursuant to any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Common Stock issued pursuant thereto, to deliver to the Company a written representation of present intention to acquire the Incentive or the shares of Common Stock issued pursuant thereto for his or her own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the

listing, registration or qualification (or any updating of any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration,

qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

11.6 Adjustment. In the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted for each of the shares of Common Stock then subject to the Plan, including shares subject to restrictions, options, or achievement of performance share objectives, the number and kind of shares of stock or other securities to which the holders of the shares of Common Stock will be entitled pursuant to the transaction. In the event of any recapitalization, stock dividend, stock split, combination of shares or other change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares subject to restrictions, options or achievements of performance shares, shall be adjusted in proportion to the change in outstanding shares of Common Stock. In the event of any such adjustments, the purchase price of any option, the performance objectives of any Incentive, and the shares of Common Stock issuable pursuant to any Incentive shall be adjusted as and to the extent appropriate, in the discretion of the Committee, to provide participants with the same relative rights before and after such adjustment.

11.7 Incentive Plans and Agreements. Except in the case of stock awards or cash awards, the terms of each Incentive shall be stated in a plan or agreement approved by the Committee. The Committee may also determine to enter into agreements with holders of options to reclassify or convert certain outstanding options, within the terms of the Plan, as Incentive Stock Options or as non-statutory stock options and in order to eliminate SARs with respect to all or part of such options and any other previously issued options.

11.8 Withholding.

(a) The Company shall have the right to withhold from any payments made under the Plan or to collect as a condition of payment, any taxes required by law to be withheld. At any time when a participant is required to pay to the Company an amount required to be withheld under applicable income tax laws in connection with a distribution of Common Stock or upon exercise of an option or SAR, the participant may satisfy this obligation in whole or in part by electing (the "Election") to have the Company withhold from the distribution shares of Common Stock having a value up to the amount required to be withheld. The value of the shares to be withheld shall be based on the Fair Market Value of the Common Stock on the date that the amount of tax to be withheld shall be determined ("Tax Date").

(b) Each Election must be made prior to the Tax Date. The Committee may disapprove of any Election, may suspend or terminate the right to make Elections, or may provide with respect to any Incentive that the right to make Elections shall not apply to such Incentive. An Election is irrevocable.

(c) If a participant is an officer or director of the Company within the meaning of Section 16 of the 1934 Act, then an Election must comply with all of the requirements of the 1934 Act.

11.9 No Continued Employment. Engagement or Right to Corporate Assets. No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of, or to continue his or her consulting engagement for, the Company for any period of time or to any right to continue his or her present or any other rate of compensation. Nothing contained in the Plan shall be construed as giving an employee, a consultant, such persons' beneficiaries, or any other person, any equity or interests of any kind in the assets of the Company or creating a trust of any kind or a fiduciary relationship of any kind between the Company and any such person.

11.10 Deferral Permitted. Payment of cash or distribution of any shares of Common Stock to which a participant is entitled under any Incentive shall be made as provided in the Incentive. Payment may be deferred at the option of the participant if provided in the Incentive.

11.11 Amendment of the Plan. The Board may amend or discontinue the Plan at any time. However, no such amendment or discontinuance shall, subject to adjustment under Section 11.6, (a) change or impair, without the consent of the recipient, an Incentive previously granted, (b) materially increase the maximum number of shares of Common Stock which may be issued to all participants under the Plan, (c) materially increase the benefits that may be granted under the Plan, (d) materially modify the requirements as to eligibility for participation in the Plan, or (e) materially increase the benefits accruing to participants under the Plan.

11.12 Immediate Acceleration of Incentives. Notwithstanding any provision in this Plan or in any Incentive to the contrary, (a) the restrictions on all shares of restricted stock award shall lapse immediately, (b) all outstanding options and SARs will become exercisable immediately, and (c) all performance shares shall be deemed to be met and payment made immediately, if subsequent to the date that the Plan is approved by the Board of Directors of the Company, any of the following events occur unless otherwise determined by the board of directors and a majority of the Continuing Directors (as defined below).

(1) any person or group of persons becomes the beneficial owner of thirty percent (30%) or more of any equity security of the Company entitled to vote for the election of directors;

(2) a majority of the members of the board of directors of the Company is replaced within the period of less

than two (2) years by directors not nominated and approved by the board of directors; or

(3) the stockholders of the Company approve an agreement to merge or consolidate with or into another corporation or an agreement to sell or otherwise dispose of all or substantially all of the Company's assets (including a plan of liquidation).

For purposes of this Section 11.12, beneficial ownership by a person or group of persons shall be determined in accordance with Regulation 13D (or any similar successor regulation) promulgated by the Securities and Exchange Commission pursuant to the 1934 Act. Beneficial ownership of more than thirty percent (30%) of an equity security may be established by any reasonable method, but shall be presumed conclusively as to any person who files a Schedule 13D report with the Securities and Exchange Commission reporting such ownership. If the restrictions and forfeitability periods are eliminated by reason of provision (1), the limitations of this Plan shall not become applicable again should the person cease to own thirty percent (30%) or more of any equity security of the Company.

For purposes of this Section 11.12, "Continuing Directors" are directors (a) who were in office prior to the time any of provisions (1), (2) or (3) occurred or any person publicly announced an intention to acquire twenty percent (20%) or more of any equity security of the Company, (b) directors in office for a period of more than two years, and (c) directors nominated and approved by the Continuing Directors.

11.13 Definition of Fair Market Value. Whenever "Fair Market Value" of Common Stock shall be determined for purposes of this Plan, it shall be determined by reference to the last sale price of a share of Common Stock on the principal United States Securities Exchange registered under the 1934 Act on which the Common Stock is listed (the "Exchange"), or, on the National Association of Securities Dealers, Inc. Automatic Quotation System (including the National Market System) ("NASDAQ") on the applicable date. If the Exchange or NASDAQ is closed for trading on such date, or if the Common Stock does not trade on such date, then the last sale price used shall be the one on the date the Common Stock last traded on the Exchange or NASDAQ. If the Common Stock is not listed on an Exchange or on NASDAQ, "Fair Market Value" shall be determined by the Board of Directors of the Company, which such valuation determination shall be conclusive.

EXHIBIT 10.8

EMPLOYMENT AGREEMENT

This Agreement is made as of March 4, 1996 by and between FAMOUS DAVE'S OF AMERICA, INC., a Minnesota corporation (the "Company"), and DAVID W. ANDERSON (the "Executive").

W I T N E S S E T H

WHEREAS, the Company desires to employ Executive in accordance with the terms and conditions stated in this Agreement; and

WHEREAS, Executive desires to accept that employment pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereto agree as follows:

I. EMPLOYMENT

1.1 Employment As Chairman of the Board and Chief Executive Officer. The Company hereby employs Executive as Chairman of the Board and Chief Executive Officer and Executive accepts such employment pursuant to the terms of this Agreement. Executive shall report to and take direction from the Board of Directors. The Executive will perform those duties which are usual and customary for a president and chief executive officer of a restaurant company. Executive shall be employed at the Company's corporate offices. He shall perform his duties in a manner reasonably expected of a chairman and chief executive officer of a restaurant company.

1.2 Term. Employment shall be for a term commencing March 4, 1996 and continuing until the earlier of (i) March 4, 1998 or (ii) the date Executive's employment terminates pursuant to Article III hereof.

II. COMPENSATION, BENEFITS AND PERQUISITES

2.1 Base Salary. During the term and effectiveness of this Agreement, the Company shall pay Executive an annualized base salary ("Base Salary") at the annual rate of $100,000. The Base Salary shall be payable in equal installments in the time and manner that other employees of the Company are compensated. The Board of Directors of the Company will review the Base Salary at least annually, and may, in its sole discretion increase it to reflect performance, appropriate industry guideline data or other factors.

2.2 Vacations. Executive shall be entitled to three weeks paid vacation, or such greater amount of time as determined by the Company's Board of Directors.

2.3 Employee Benefits. Until the Company adopts a benefit plan, Executive shall be entitled to the usual and customary benefits and perquisites which the Company generally provides to its other executives under its applicable plans and policies (including, without limitation, group health, group dental and group life coverage). Once the Company adopts a benefit plan, Executive shall be entitled to the benefits which the Company provides to its other executives under such plan. Executive shall pay any contributions which are generally required of executives to receive any such benefits.

III. TERMINATION OF EXECUTIVE'S EMPLOYMENT

3.1 Termination of Employment. Executive's employment under this

Agreement may be terminated by the Company or Executive at any time for any reason; provided, however, that if Executive's employment is terminated by the Company during the term of this Agreement for a reason or disability other than for cause as defined in Section 3.2 below he shall continue to receive his Base Salary under Section 2.1 for a period of six months from the date of termination. Executive's employment under this Agreement may be terminated by Executive at any time for any reason. The termination shall be effective as of the date specified by the party initiating the termination in a written notice delivered to the other party, which date shall not be earlier than the date such notice is delivered to the other party. This Agreement shall terminate in its entirety immediately upon the death of Executive. Except as expressly provided to the contrary in this section or applicable law, Executive's rights to pay and benefits shall cease on the date his employment under this Agreement terminates.

3.2 Cause. For purposes of this Article III, "cause" shall mean only the following: (i) commission of a felony; (ii) theft or embezzlement of Company property or commission of similar acts involving moral turpitude; or (iii) the failure by Executive to substantially perform his material duties under this Agreement (excluding nonperformance resulting from Executive's disability) which willful failure is not cured within thirty (30) days after written notice from the Chairman of the Board of Directors of the Company specifying the act of willful nonperformance or within such longer period (but no longer than ninety (90) days in any event) as is reasonably required to cure such willful nonperformance. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for "cause" unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of the Board at a meeting of the Board called and held for this specific purpose.

3.3 Disability. If Executive has become disabled such that he cannot perform the essential functions of his job with or without reasonable accommodation, and the disability has continued for a period of more than ninety (90) days, the Board of Directors of the Company may, in its discretion, terminate his employment under this Agreement. Upon any such termination for disability, Executive shall be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of the Company during the period he remains disabled.

3.4 Notice. Executive must provide the Company with at least 30 days written notice if Executive desires to terminate his employment under this Agreement.

IV. CONFIDENTIALITY

4.1 Prohibitions Against Use. Both parties to this Agreement acknowledge and agree that during the term of this Agreement they may have access to various trade secrets and confidential business information ("Confidential Information") of each other. Each party agrees that it shall use such Confidential Information solely in connection with his obligations under this Agreement and shall maintain in strictest confidence and shall not disclose any such Confidential Information, directly or indirectly or use such information in any other way during the term of this Agreement or for a period of one (1) year after the termination of this Agreement. The parties further agree to take all reasonable steps necessary to preserve and protect the Confidential Information. The provisions of this Section shall be equally applicable to each parties' officers, directors, agents or employees. The provisions of this Section shall not apply to information which (i) was in possession of a party prior to receipt from the other party, or (ii) is or becomes generally available to the public other than as a result of a

disclosure by a party, its directors, officers, employees, agents or advisors, or (iii) becomes available to a party from a third party having the right to make such disclosure.

4.2 Remedies. Executive acknowledges that the Company's remedy at law for any breach or threatened breach by Executive of Section 4.1 will be inadequate. Therefore, the Company shall be entitled to injunctive and other equitable relief restraining Executive from violating those requirements, in addition to any other remedies that may be available to the Company under this Agreement or applicable law.

V. NON-COMPETITION

5.1 Agreement Not to Compete. Executive agrees that, on or before the date which is two (2) years after the date Executive's employment under this Agreement terminates, he will not, unless he receives the prior approval of the Board of Directors of the Company, directly or indirectly engage in any of the following actions:

(a) Own an interest in (except as provided below), manage, operate, join, control, lend money or render financial or other assistance to, or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any entity whose primary business is the retail sale of barbeque food. However, nothing in this subsection (a) shall preclude Executive from holding less than one percent of the outstanding capital stock of any corporation required to file periodic reports with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the securities of which are listed on any securities exchange, quote on the National Association of Securities Dealers Automated Quotation System or traded in the over-the-counter market.

(b) Intentionally solicit, endeavor to entice away from the Company, or otherwise interfere with the relationship of the Company, any person who is employed by or otherwise engaged to perform services for the Company (including, but not limited to, any independent sales representatives or organizations), whether for Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization.

If the scope of the restrictions in this section are determined by a court of competent jurisdiction to be too broad to permit enforcement of such restrictions to their full extent, then such restrictions shall be construed or rewritten (blue-lined) so as to be enforceable to the maximum extent permitted by law, and Executive hereby consents, to the extent he may lawfully do so, to the judicial modification of the scope of such restrictions in any proceeding brought to enforce them.

VI. MISCELLANEOUS

6.1 Amendment. This Agreement may be amended only in writing, signed by both parties.

6.2 Entire Agreement. This Agreement contains the entire understanding of the parties with regard to all matters contained herein. There are no other agreements, conditions or representations, oral or written, expressed or implied, with regard thereto. This Agreement supersedes all prior agreements relating to the employment of Executive by the Company.

6.3 Assignment. This Agreement shall be binding upon, and shall inure to the benefit of parties and their respective successors, assigns, heirs and personal representatives and any entity with which the Company may merge or consolidate or to which the Company may sell substantially all of its assets.

6.4 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person or by certified or registered mail, return receipt requested. Any notice by mail shall be addressed as follows:

If to the Company, to:

Famous Dave's of America, Inc.
12700 Industrial Park Boulevard
Suite 60
Plymouth, MN 55441
Attention: President

If to Executive, to:

David W. Anderson
7016 Antrim Road
Edina, MN 55439

or to such other addresses as either party may designate in writing to the other party from time to time.

6.6 Waiver of Breach. Any waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

6.7 Severability. If any one or more of the provisions (or portions thereof) of this Agreement shall for any reason be held by a final determination of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions (or portions of the provisions) of this Agreement, and the invalid, illegal or unenforceable provisions shall be deemed replaced by a provision that is valid, legal and enforceable and that comes closest to expressing the intention of the parties hereto.

6.8 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota, without giving effect to conflict of law principles.

6.9 Arbitration. Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement or the breach of any exhibits attached to this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and a judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The arbitration award shall be subject to review only in the manner provided in the Uniform Arbitration Act as adopted in Chapter 572, Minnesota Statutes, as the Act is amended at the time of submission of the issue to arbitration. The arbitrator(s) shall have the authority to award the prevailing party its costs and reasonable attorney's fees which shall be paid by the non-prevailing party. In the event the parties hereto agree that it is necessary to litigate any dispute hereunder in a court, the non-prevailing party shall pay the prevailing party its costs and

reasonable attorney's fees. Notwithstanding anything in this Section 6.9 to the contrary, Executive shall be entitled to seek specific performance of Executive's rights to be paid until the date of termination during the pendency of any dispute or controversy arising under or in connection with this Agreement or exhibits attached to this Agreement. Further, the Company shall be entitled to seek an injunction or restraining order in a court of competent jurisdiction to enforce the provision of Article IV and Article V.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

FAMOUS DAVE'S OF AMERICA, INC.

By William Timm

Its President

David W. Anderson

David W. Anderson

EXHIBIT 10.9

EMPLOYMENT AGREEMENT

This Agreement is made as of March 4, 1996 by and between FAMOUS DAVE'S OF AMERICA, INC., a Minnesota corporation (the "Company"), and WILLIAM LANCE TIMM (the "Executive").

W I T N E S S E T H

WHEREAS, the Company desires to employ Executive in accordance with the terms and conditions stated in this Agreement; and

WHEREAS, Executive desires to accept that employment pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereto agree as follows:

I. EMPLOYMENT

1.1 Employment As President. The Company hereby employs Executive as President and Executive accepts such employment pursuant to the terms of this Agreement. Executive shall report to and take direction from the Board of Directors. The Executive will perform those duties which are usual and customary for a president and chief executive officer of a restaurant company. Executive shall be employed at the Company's corporate offices. He shall perform his duties in a manner reasonably expected of a chairman and chief executive officer of a restaurant company.

1.2 Term. Employment shall be for a term commencing March 4, 1996 and continuing until the earlier of (i) March 4, 1998 or (ii) the date Executive's employment terminates pursuant to Article III hereof.

II. COMPENSATION, BENEFITS AND PERQUISITES

2.1 Base Salary. During the term and effectiveness of this Agreement, the Company shall pay Executive an annualized base salary ("Base Salary") at the annual rate of $100,000. The Base Salary shall be payable in equal installments in the time and manner that other employees of the Company are compensated. The Board of Directors of the Company will review the Base Salary at least annually, and may, in its sole discretion increase it to reflect performance, appropriate industry guideline data or other factors.

2.2 Vacations. Executive shall be entitled to three weeks paid vacation, or such greater amount of time as determined by the Company's Board of Directors.

2.3 Employee Benefits. Until the Company adopts a benefit plan, Executive shall be entitled to the usual and customary benefits and perquisites which the Company generally provides to its other executives under its applicable plans and policies (including, without limitation, group health, group dental and group life coverage). Once the Company adopts a benefit plan, Executive shall be entitled to the benefits which the Company provides to its other executives under such plan. Executive shall pay any contributions which are generally required of executives to receive any such benefits.

III. TERMINATION OF EXECUTIVE'S EMPLOYMENT

3.1 Termination of Employment. Executive's employment under this Agreement may be terminated by the Company or Executive at any time for any

reason; provided, however, that if Executive's employment is terminated by the Company during the term of this Agreement for a reason or disability other than for cause as defined in Section 3.2 below he shall continue to receive his Base Salary under Section 2.1 for a period of six months from the date of termination. Executive's employment under this Agreement may be terminated by Executive at any time for any reason. The termination shall be effective as of the date specified by the party initiating the termination in a written notice delivered to the other party, which date shall not be earlier than the date such notice is delivered to the other party. This Agreement shall terminate in its entirety immediately upon the death of Executive. Except as expressly provided to the contrary in this section or applicable law, Executive's rights to pay and benefits shall cease on the date his employment under this Agreement terminates.

3.2 Cause. For purposes of this Article III, "cause" shall mean only the following: (i) commission of a felony; (ii) theft or embezzlement of Company property or commission of similar acts involving moral turpitude; or (iii) the failure by Executive to substantially perform his material duties under this Agreement (excluding nonperformance resulting from Executive's disability) which willful failure is not cured within thirty (30) days after written notice from the Chairman of the Board of Directors of the Company specifying the act of willful nonperformance or within such longer period (but no longer than ninety (90) days in any event) as is reasonably required to cure such willful nonperformance. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for "cause" unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of the Board at a meeting of the Board called and held for this specific purpose.

3.3 Disability. If Executive has become disabled such that he cannot perform the essential functions of his job with or without reasonable accommodation, and the disability has continued for a period of more than ninety (90) days, the Board of Directors of the Company may, in its discretion, terminate his employment under this Agreement. Upon any such termination for disability, Executive shall be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of the Company during the period he remains disabled.

3.4 Notice. Executive must provide the Company with at least 30 days written notice if Executive desires to terminate his employment under this Agreement.

IV. CONFIDENTIALITY

4.1 Prohibitions Against Use. Both parties to this Agreement acknowledge and agree that during the term of this Agreement they may have access to various trade secrets and confidential business information ("Confidential Information") of each other. Each party agrees that it shall use such Confidential Information solely in connection with his obligations under this Agreement and shall maintain in strictest confidence and shall not disclose any such Confidential Information, directly or indirectly or use such information in any other way during the term of this Agreement or for a period of one (1) year after the termination of this Agreement. The parties further agree to take all reasonable steps necessary to preserve and protect the Confidential Information. The provisions of this Section shall be equally applicable to each parties' officers, directors, agents or employees. The provisions of this Section shall not apply to information which (i) was in possession of a party prior to receipt from the other party, or (ii) is or becomes generally available to the public other than as a result of a disclosure by a party, its directors, officers, employees, agents or advisors,

or (iii) becomes available to a party from a third party having the right to make such disclosure.

4.2 Remedies. Executive acknowledges that the Company's remedy at law for any breach or threatened breach by Executive of Section 4.1 will be inadequate. Therefore, the Company shall be entitled to injunctive and other equitable relief restraining Executive from violating those requirements, in addition to any other remedies that may be available to the Company under this Agreement or applicable law.

V. NON-COMPETITION

5.1 Agreement Not to Compete. Executive agrees that, on or before the date which is two (2) years after the date Executive's employment under this Agreement terminates, he will not, unless he receives the prior approval of the Board of Directors of the Company, directly or indirectly engage in any of the following actions:

(a) Own an interest in (except as provided below), manage, operate, join, control, lend money or render financial or other assistance to, or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any entity whose primary business is the retail sale of barbeque food. However, nothing in this subsection (a) shall preclude Executive from holding less than one percent of the outstanding capital stock of any corporation required to file periodic reports with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the securities of which are listed on any securities exchange, quote on the National Association of Securities Dealers Automated Quotation System or traded in the over-the-counter market.

(b) Intentionally solicit, endeavor to entice away from the Company, or otherwise interfere with the relationship of the Company, any person who is employed by or otherwise engaged to perform services for the Company (including, but not limited to, any independent sales representatives or organizations), whether for Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization.

If the scope of the restrictions in this section are determined by a court of competent jurisdiction to be too broad to permit enforcement of such restrictions to their full extent, then such restrictions shall be construed or rewritten (blue-lined) so as to be enforceable to the maximum extent permitted by law, and Executive hereby consents, to the extent he may lawfully do so, to the judicial modification of the scope of such restrictions in any proceeding brought to enforce them.

VI. MISCELLANEOUS

6.1 Amendment. This Agreement may be amended only in writing, signed by both parties.

6.2 Entire Agreement. This Agreement contains the entire understanding of the parties with regard to all matters contained herein. There are no other agreements, conditions or representations, oral or written, expressed or implied, with regard thereto. This Agreement supersedes all prior agreements relating to the employment of Executive by the Company.

6.3 Assignment. This Agreement shall be binding upon, and shall

inure to the benefit of parties and their respective successors, assigns, heirs and personal representatives and any entity with which the Company may merge or consolidate or to which the Company may sell substantially all of its assets.

6.4 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person or by certified or registered mail, return receipt requested. Any notice by mail shall be addressed as follows:

If to the Company, to:

Famous Dave's of America, Inc.
12700 Industrial Park Boulevard
Suite 60
Plymouth, MN 55441
Attention: President

If to Executive, to:

William Lance Timm
7016 Antrim Road
Edina, MN 55439

or to such other addresses as either party may designate in writing to the other party from time to time.

6.6 Waiver of Breach. Any waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

6.7 Severability. If any one or more of the provisions (or portions thereof) of this Agreement shall for any reason be held by a final determination of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions (or portions of the provisions) of this Agreement, and the invalid, illegal or unenforceable provisions shall be deemed replaced by a provision that is valid, legal and enforceable and that comes closest to expressing the intention of the parties hereto.

6.8 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota, without giving effect to conflict of law principles.

6.9 Arbitration. Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement or the breach of any exhibits attached to this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and a judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The arbitration award shall be subject to review only in the manner provided in the Uniform Arbitration Act as adopted in Chapter 572, Minnesota Statutes, as the Act is amended at the time of submission of the issue to arbitration. The arbitrator(s) shall have the authority to award the prevailing party its costs and reasonable attorney's fees which shall be paid by the non-prevailing party. In the event the parties hereto agree that it is necessary to litigate any dispute hereunder in a court, the non-prevailing party shall pay the prevailing party its costs and reasonable attorney's fees. Notwithstanding anything in this Section 6.9 to the contrary, Executive shall be entitled to seek specific performance of Executive's rights to be paid until the date of termination during the pendency

of any dispute or controversy arising under or in connection with this Agreement or exhibits attached to this Agreement. Further, the Company shall be entitled to seek an injunction or restraining order in a court of competent jurisdiction to enforce the provision of Article IV and Article V.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

FAMOUS DAVE'S OF AMERICA, INC.

By David Anderson

Its Chairman

William Lance Timm

William Lance Timm

EXHIBIT 10.10

EMPLOYMENT AGREEMENT

This Agreement is made as of August 12, 1996 by and between FAMOUS DAVE'S OF AMERICA, INC., a Minnesota corporation (the "Company"), and MARK A. PAYNE (the "Executive").

W I T N E S S E T H

WHEREAS, the Company desires to employ Executive in accordance with the terms and conditions stated in this Agreement; and

WHEREAS, Executive desires to accept that employment pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereto agree as follows:

I. EMPLOYMENT

1.1 Employment As Vice President of Finance and Chief Financial Officer. The Company hereby employs Executive as Vice President of Finance and Chief Financial Officer and Executive accepts such employment pursuant to the terms of this Agreement. Executive shall report to and take direction from the Chairman of the Board and the Board of Directors. The Executive will perform those duties which are usual and customary for a vice president of finance and chief financial officer of a restaurant enterprise. Executive shall be employed at the Company's corporate offices. He shall perform his duties in a manner reasonably expected of a vice president of finance and chief financial officer of a restaurant company.

1.2 Term. Employment shall be for a term commencing August 12, 1996 and continuing until the earlier of (i) August 12, 1999 or (ii) the date Executive's employment terminates pursuant to Article III hereof.

II. COMPENSATION, BENEFITS AND PERQUISITES

2.1 Base Salary. During the term and effectiveness of this Agreement, the Company shall pay Executive an annualized base salary ("Base Salary") at the annual rate of $125,000. The Base Salary shall be payable in equal installments in the time and manner that other employees of the Company are compensated. The Board of Directors of the Company will review the Base Salary at least annually, and may, in its sole discretion increase it to reflect performance, appropriate industry guideline data or other factors.

2.2 Bonus. Executive will receive a bonus in the amount of $25,000 upon the closing of the Company's Initial Public Offering, if any. The Company also agrees to consider an annual bonus

based on Executive's performance to be determined at the end of each year of service, at the discretion of the Company's Board of Directors.

2.3 Vacations. Executive shall be entitled to three weeks paid vacation, or such greater amount of time as determined by the Company's Board of Directors.

2.4 Employee Benefits. Until the Company adopts a benefit plan, Executive shall be entitled to the usual and customary benefits and perquisites which the Company generally provides to its other executives under its

applicable plans and policies (including, without limitation, group health, group dental and group life coverage). The Company also agrees to pay 75% of the COBRA continuation premiums for Executive's health and dental insurance currently maintained by Executive and his family for the period provided under COBRA. Once the Company adopts a benefit plan, Executive shall be entitled to the benefits which the Company provides to its other executives under such plan. Executive shall pay any contributions which are generally required of executives to receive any such benefits.

III. TERMINATION OF EXECUTIVE'S EMPLOYMENT

3.1 Termination of Employment. Executive's employment under this Agreement may be terminated by the Company or Executive at any time for any reason; provided, however, that if Executive's employment is terminated by the Company during the term of this Agreement for a reason or disability other than for cause as defined in Section 3.2 below he shall continue to receive his Base Salary under Section 2.1 for a period of six months from the date of termination, if such termination occurs in the first year of service. If such termination occurs after the first year of service, during the term of this Agreement for a reason or disability other than for cause as defined in Section 3.2 below he shall continue to receive his Base Salary under Section 2.1 for a period of twelve months from the date of termination. The Executive's employment under this Agreement may be terminated by Executive at any time for any reason. The termination shall be effective as of the date specified by the party initiating the termination in a written notice delivered to the other party, which date shall not be earlier than the date such notice is delivered to the other party. This Agreement shall terminate in its entirety immediately upon the death of Executive. Except as expressly provided to the contrary in this section or applicable law, Executive's rights to pay and benefits shall cease on the date his employment under this Agreement terminates.

3.2 Cause. For purposes of this Article III, "cause" shall mean only the following: (i) commission of a felony; (ii) theft or embezzlement of Company property or commission of similar acts involving moral turpitude; or (iii) the failure by Executive to substantially perform his material duties under this Agreement (excluding nonperformance resulting from Executive's disability) which willful failure is not cured within thirty (30) days after written notice from the Chairman of the Board of Directors of the Company specifying the act of willful nonperformance or within such longer period (but no longer than ninety (90) days in any event) as is reasonably required to cure such willful nonperformance. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for "cause" unless and until there shall have been delivered to Executive a copy of a

resolution duly adopted by the affirmative vote of the Board at a meeting of the Board called and held for this specific purpose.

3.3 Disability. If Executive has become disabled such that he cannot perform the essential functions of his job with or without reasonable accommodation, and the disability has continued for a period of more than ninety (90) days, the Board of Directors of the Company may, in its discretion, terminate his employment under this Agreement. Upon any such termination for disability, Executive shall be entitled to such disability, medical, life insurance, and other benefits as may be provided generally for disabled employees of the Company during the period he remains disabled.

3.4 Notice. Executive must provide the Company with at least 30 days written notice if Executive desires to terminate his employment under this Agreement.

IV. CONFIDENTIALITY

4.1 Prohibitions Against Use. Both parties to this Agreement

acknowledge and agree that during the term of this Agreement they may have access to various trade secrets and confidential business information ("Confidential Information") of each other. Each party agrees that it shall use such Confidential Information solely in connection with his obligations under this Agreement and shall maintain in strictest confidence and shall not disclose any such Confidential Information, directly or indirectly or use such information in any other way during the term of this Agreement or for a period of one (1) year after the termination of this Agreement. The parties further agree to take all reasonable steps necessary to preserve and protect the Confidential Information. The provisions of this Section shall be equally applicable to each parties' officers, directors, agents or employees. The provisions of this Section shall not apply to information which (i) was in possession of a party prior to receipt from the other party, or (ii) is or becomes generally available to the public other than as a result of a disclosure by a party, its directors, officers, employees, agents or advisors, or (iii) becomes available to a party from a third party having the right to make such disclosure.

4.2 Remedies. Executive acknowledges that the Company's remedy at law for any breach or threatened breach by Executive of Section 4.1 will be inadequate. Therefore, the Company shall be entitled to injunctive and other equitable relief restraining Executive from violating those requirements, in addition to any other remedies that may be available to the Company under this Agreement or applicable law.

V. NON-COMPETITION

5.1 Agreement Not to Compete. Executive agrees that, on or before the date which is two (2) years after the date Executive's employment under this Agreement terminates, he will not, unless he receives the prior approval of the Board of Directors of the Company, directly or indirectly engage in any of the following actions:

(a) Own an interest in (except as provided below), manage, operate, join, control, lend money or render financial or other assistance to, or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any entity whose primary business is the retail sale of barbeque food. However, nothing in this subsection (a) shall preclude Executive from holding less than one percent of the outstanding capital stock of any corporation required to file periodic reports with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the securities of which are listed on any securities exchange, quote on the National Association of Securities Dealers Automated Quotation System or traded in the over-the-counter market.

(b) Intentionally solicit, endeavor to entice away from the Company, or otherwise interfere with the relationship of the Company, any person who is employed by or otherwise engaged to perform services for the Company (including, but not limited to, any independent sales representatives or organizations), whether for Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization.

If the scope of the restrictions in this section are determined by a court of competent jurisdiction to be too broad to permit enforcement of such restrictions to their full extent, then such restrictions shall be construed or rewritten (blue-lined) so as to be enforceable to the maximum extent permitted by law, and Executive hereby consents, to the extent he may lawfully do so, to

the judicial modification of the scope of such restrictions in any proceeding brought to enforce them.

VI. MISCELLANEOUS

6.1 Amendment. This Agreement may be amended only in writing, signed by both parties.

6.2 Entire Agreement. This Agreement contains the entire understanding of the parties with regard to all matters contained herein. There are no other agreements, conditions or representations, oral or written, expressed or implied, with regard thereto. This Agreement supersedes all prior agreements relating to the employment of Executive by the Company.

6.3 Assignment. This Agreement shall be binding upon, and shall inure to the benefit of parties and their respective successors, assigns, heirs and personal representatives and any entity with which the Company may merge or consolidate or to which the Company may sell substantially all of its assets.

6.4 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person or by certified or registered mail, return receipt requested. Any notice by mail shall be addressed as follows:

If to the Company, to:

Famous Dave's of America, Inc.
12700 Industrial Park Boulevard
Suite 60
Plymouth, MN 55441
Attention: President

If to Executive, to:

Mark A. Payne
8860 Flesher Circle
Eden Prairie, MN 55347

or to such other addresses as either party may designate in writing to the other party from time to time.

6.6 Waiver of Breach. Any waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

6.7 Severability. If any one or more of the provisions (or portions thereof) of this Agreement shall for any reason be held by a final determination of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions (or portions of the provisions) of this Agreement, and the invalid, illegal or unenforceable provisions shall be deemed replaced by a provision that is valid, legal and enforceable and that comes closest to expressing the intention of the parties hereto.

6.8 Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Minnesota, without giving effect to conflict of law principles.

6.9 Arbitration. Any controversy or claim arising out of or

relating to this Agreement or the breach of this Agreement or the breach of any exhibits attached to this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and a judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The arbitration award shall be subject to review only in the manner provided in the Uniform Arbitration Act as adopted in Chapter 572, Minnesota Statutes, as the Act is amended at the time of submission of the issue to arbitration. The arbitrator(s) shall have the authority to award the prevailing party its costs and reasonable attorney's fees which shall be paid by the non-

prevailing party. In the event the parties hereto agree that it is necessary to litigate any dispute hereunder in a court, the non-prevailing party shall pay the prevailing party its costs and reasonable attorney's fees. Notwithstanding anything in this Section 6.9 to the contrary, Executive shall be entitled to seek specific performance of Executive's rights to be paid until the date of termination during the pendency of any dispute or controversy arising under or in connection with this Agreement or exhibits attached to this Agreement. Further, the Company shall be entitled to seek an injunction or restraining order in a court of competent jurisdiction to enforce the provision of Article IV and Article V.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

FAMOUS DAVE'S OF AMERICA, INC.

By

Its Chairman of the Board

Mark A. Payne

EXHIBIT 10.11

FAMOUS DAVE'S TRADEMARK LICENSE AGREEMENT WITH GRAND PINES RESORT, INC.

This Trademark License Agreement (the "Agreement") is made as of this 4th day of March, 1996, by and between Famous Dave's of America, Inc., a Minnesota corporation (the "Licensor") and Grand Pines Resort, Inc., a Minnesota corporation (the "Licensee").

INTRODUCTION

Licensor is the owner of various trademarks including those which encompass the phrase "Famous Dave's" (the "Trademarks") all as set forth on Exhibit A attached hereto and hereby made a part hereof. In accordance with the terms hereof, Licensor hereby grants Licensee a license to use the Trademarks solely at Licensee's owned and/or managed restaurant in Hayward, Wisconsin (the "Facility").

Now, therefore, in consideration of the promises set forth herein, the parties hereto do hereby agree as follows:

1. License. Licensor grants to Licensee the nonexclusive, personal, nontransferable right and license to use the Trademarks solely at the Facility, under the conditions and for the term set forth herein. Licensee may, but is not obligated, to use any of the Trademarks; provided, however, that any use of any Trademarks shall be carried out in accordance herewith. Licensee may not assign its rights hereunder.

2. License Fee. As and for the license of the Trademarks, Licensee agrees to pay Licensor a fee equal to four percent (4%) of gross food sales of the Facility, on a quarterly basis, in arrears.

3. Quality. Licensor may and shall supervise Licensee's use of the Trademarks. Licensor may terminate this License, as provided at paragraph 8(c) hereof, if at any time Licensee's use of any of the Trademarks negatively impacts upon Licensor's name and/or reputation for quality in a material respect.

4. Inspection. Licensee shall, upon request of the Licensor, submit to the Licensor or to its duly authorized representatives, samples of all of Licensee's materials using the Trademarks for the purpose of ascertaining or determining compliance with Paragraphs 1 and 2 hereof.

5 Use of Trademarks and Designation of Ownership. At Licensor's request, Licensee shall provide Licensor with samples of all literature, packages, labels, labeling, menus, and advertising using one or more of the Trademarks, prepared by or for Licensee. When using the Trademarks under this Agreement, Licensee agrees at all times, in advertising or in any other manner, clearly to identify individually registered Trademarks as being so registered and all Trademarks, registered or not, as the property of Licensor.

6. Maintenance of Trademarks. Licensor may but is not obligated to register and maintain the Trademarks on the United States Federal Trademark Register.

7. Disclaimer of Liability and Indemnity. Licensor assumes no liability to Licensee or to any third party with respect to any product prepared and/or sold by Licensee in conjunction with any Trademark.

8. Termination.

(a) Except as otherwise provided herein, this Agreement shall remain in full force and effect perpetually from the date of this Agreement.

(b) If Licensee makes any assignment of assets or business for the benefit of creditors, or if a trustee or receiver is appointed to administer or conduct Licensee's business or affairs, or if Licensee is adjudged in any legal proceeding to be either a voluntary or involuntary bankrupt, then all the rights granted herein shall forthwith cease and terminate without prior notice or legal action by Licensor.

(c) If Licensee fails to comply with any provision of this Agreement including paragraph 2 hereof, and/or if Licensee's use of any Trademark negatively impacts upon Licensor's business reputation and/or upon Licensor's reputation for quality in a material respect, Licensor may terminate this Agreement upon 30 days' written notice to Licensee, provided that Licensee has not corrected such default during such thirty (30) day period.

Upon termination of this Agreement, Licensee shall as soon as is reasonably possible thereafter, and in any event within thirty (30) days, cease and desist in Licensee's use of any written or other materials making use of any of the Trademarks.

9. Trademark Ownership. Licensee acknowledges Licensor's exclusive rights, title, and interest in and to the Trademarks and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such rights, title, and/or interest. In connection with the use of the Trademarks, Licensee shall not in any manner represent that it has any ownership in any Trademark or registration thereof, and Licensee acknowledges that use of any of the Trademarks shall not create in the Licensee's favor any right, title, or interest in or to the Trademarks, but all uses of the Trademarks by the Licensee shall inure to the benefit of the Licensor. Upon termination of this Agreement in any manner provided herein, Licensee will as provided at paragraph 8 hereof, cease and desist from all use of all of the Trademarks in any way (and will deliver up to Licensor, or its duly authorized representatives, all materials and papers upon which any of the Trademarks appear), and Licensee shall at no time adopt or use, without Licensor's prior written consent, any word or mark which is likely to be similar to or confusing with any of the Trademarks.

10. Notices. Any notices required or permitted to be given under this Agreement shall be deemed sufficiently given if mailed by registered mail, postage prepaid, addressed to the party to be notified at its address shown below; or at such other address as may be furnished in writing to the notifying party:

Licensor: Famous Dave's of America, Inc.
7016 Antrim Road
Edina, MN 55439

Licensee: Grand Pines Resort, Inc.
7016 Antrim Road
Edina, MN 55439

11. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements and undertakings between the parties with respect to such subject matter.

12. Modification or Amendment. No modification or amendment of any term, condition or provision of this Agreement, including without limitation the modification to any Exhibit to this Agreement, shall be valid or of any effect unless made in writing and signed by the party to be bound or its duly authorized representative and specifying with particularity the nature and extent of such modification or amendment.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

LICENSOR: FAMOUS DAVE'S OF AMERICA, INC.

David W. Anderson
Its President

LICENSEE: GRAND PINES RESORT, INC.

By ---

Its --------------------------------------

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EXHIBIT 10.12

MANAGEMENT AGREEMENT

This AGREEMENT made and entered into as of the 1st day of January 1996, between FAMOUS DAVE'S OF MINNEAPOLIS, INC., a Minnesota corporation ("Manager"), and FAMOUS DAVE'S ENTERPRISES, INC., a Minnesota corporation (the "Owner"), which owns and operates a barbecue restaurant in Hayward, Wisconsin (the "Restaurant").

I. GENERAL

1. The Owner hereby retains the Manager for the purpose of rendering management and administrative services needed for the operation of the Restaurant on the basis hereinafter set forth.

2. The Manager shall perform all services described herein for the account of and as agent of the Owner. All such services shall be rendered subject to the control of the Owner, which shall have final authority in all matters relating to the Restaurant's operations. The Manager shall use reasonable judgment in discharging its duties hereunder.

II. MANAGEMENT SERVICES

1. At Owner's request, Manager agrees to provide the following consulting services and management advice to Owner in connection with the operation of the Restaurant, in the same manner as is customary and usual in the operation of comparable facilities, and to consult with the Owner and keep the Owner advised as to all major policy matters affecting the Restaurant.

2. Services specified in subparagraph 1 include, but are not limited to, advice and consultation relating to the following:

A. Licensure of the Restaurant with the proper agencies, including the filing of any required local, state and federal reports;

B. The purchase by the Owner of hazard, liability and other necessary insurance coverage for the Restaurant;

C. Review of the Owner's personnel requirements, consulting with the Owner as to personnel needs and hiring personnel;

D. Establishment of staffing schedules, wage structures and personnel policies for all personnel;

E. Purchase or lease by the Owner of all food, beverages, supplies and equipment used in the operation of the Restaurant;

F. Day-to-day operations of the Restaurant to ensure the operations are conducted in a businesslike manner;

G. Developing an ongoing advertising and promotion program;

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H. Preparation of budgets and operation plans for the Restaurant;

I. Accounting and record keeping, internal control, inventory control, and all other financial controls relating to

Restaurant operation.

3. The Manager is not authorized to make purchases and enter into contracts relating to the affairs of the Restaurant.

III. ACCOUNTING AND BOOKKEEPING SERVICES

Manager shall perform the following accounting and bookkeeping services in connection with the operation of the Restaurant:

A. Receipt for and deposit in a special bank account selected by the Owner, separate from all other monies of the Manager, all funds received from the operation of the Restaurant and supervise the disbursement of such funds for the operating expenses of the Restaurant;

B. Maintain the books of account, including all journals and ledgers, check register and payroll records;

C. Process vendors' invoices and other accounts payable;

D. Prepare payroll checks from time sheet summaries prepared under the Manager's supervision;

E. Prepare payroll and supervise preparation of Owner's tax returns;

F. Prepare monthly bank reconciliations; and

G. Prepare monthly operating statements in accordance with generally accepted accounting principles and provide them to the Owner.

IV. FEE FOR SERVICE

1. Except as provided herein, the Manager shall be reimbursed on a monthly basis for its reasonable direct out-of-pocket expenses incurred in connection with the service prorated hereunder, including legal, accounting, travel, lodging and meal expenses. The Manager shall prepare an itemization of such costs on a monthly basis which shall be submitted to the Owner by the 15th of the subsequent month. The books and records of the Manager pertaining to the services provided hereunder shall be reasonably available to the Owner and its authorized agents for verification of reimbursed costs.

2. The Owner shall pay the Manager for the services rendered hereunder a fee equal to 3% of the gross food sales of the Restaurant per month (the "Service Fee"), payable on the 15th day of the following month.

V. TAX PARTNERSHIP

The Manager and the Owner affirmatively state that they do not have the intention to form a joint venture or partnership, nor have they done so. The Manager is an independent contractor for the Owner, and no employee or agency relationship shall exist.

VII. TERM

The initial term of this Agreement shall be one year. Either party shall have the option to extend the term of this Agreement for additional one-year renewal terms on the same terms and conditions contained herein if a party gives the other party written notice of its election so to extend at least 30 days prior to the termination of the original or any renewal term and shall continue indefinitely thereafter until terminated by either party as set forth herein.

VIII. TERMINATION

Notwithstanding any provision hereof to the contrary, the Owner or the Manager shall have the right to terminate this Agreement:

A. by the Owner, on 60 days' advance written notice, in the event the Manager ceases to be an affiliate of the Owner;

B. by the Company, on 60 days' advance written notice, if the Owner sells or otherwise transfers ownership of the Restaurant to a non-affiliated party;

C. by either party without cause after the initial and renewal terms, on 30 days' prior written notice; or

D. by either party at any time for cause, if such cause has a material adverse effect on the Restaurant, upon 30 days' prior written notice to the other party, unless such cause is cured as provided herein. Such notice shall describe in detail the basis upon which the terminating party believes such termination is justified. Upon receipt of such notice, the other party shall immediately commence to attempt to cure and shall have 30 days during which to attempt to cure any alleged default under this Agreement, and upon such cure being effected, the terminating party's rights to terminate shall cease, and this Agreement will continue in full force and effect. Furthermore, if the Manager has diligently attempted to effect such a cure within such 30-day period but cannot complete such cure because of the failure of a third party (such as a governmental agency) to act within such period, then the Manager shall have a reasonable time beyond such 30-day period, not to exceed an additional 90 days, to complete its cure of the alleged basis for the Owner's election to terminate. In addition, either party may terminate this Agreement by notice to the other party upon such other party's filing of a voluntary petition in bankruptcy, making of an assignment for the benefit of creditors, adjudication as a bankrupt or insolvent, filing of a petition or answer seeking for itself a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule, seeking or consenting to or acquiescence in the appointment of a trustee, receiver or liquidator for all or any part of the party's

assets or ceasing to be a going concern. For purposes of this Agreement, "cause" shall be gross negligence, malfeasance or breach of this Agreement.

VI. NOTICES

All notices permitted or required by this Agreement shall be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or such address as the party may designate

in writing:

To Manager: Famous Dave's of Minneapolis, Inc.
7016 Antrim Road
Edina, MN 55439

To Owner: Famous Dave's Enterprises, Inc.
Route 5, Box 5167
Hayward, WI 54843

VIII. MISCELLANEOUS

1. Section headings are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

2. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall together constitute one agreement.

3. Should any part of this Agreement be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining portions.

4. Each individual signing this Agreement warrants that such execution has been duly authorized by the party for which he is signing. The execution and performance of this Agreement by each party has been duly authorized by all applicable laws and regulations and all necessary corporate action, and this Agreement constitutes the valid and enforceable obligation of each party in accordance with its terms.

5. The Manager shall not assign this Agreement other than to an affiliate corporation or other entity controlled by the Manager. Affiliate shall mean any person directly or indirectly controlling, controlled by or under common control with the applicable party.

6. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

7. This Agreement may not be modified except in writing executed by the party to be charged.

8. This Agreement constitutes the entire agreement of the parties hereto and supersedes all prior agreements and representations with respect to the subject matter hereof.

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

MANAGER:

FAMOUS DAVE'S OF MINNEAPOLIS, INC.

By:__________________________
Name:
Title:

OWNER:

FAMOUS DAVE'S ENTERPRISES, INC.

By:__________________________
Name:
Title:

EXHIBIT 24.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report and to all references to our firm included in or made a part of this registration statement.

/s/ Lund Koehler Cox & Company, PLLP

LUND KOEHLER COS & COMPANY, PLLP

Minneapolis, Minnesota
August 22, 1996