BURRITO BLVD FRANCHISE GROUP, LLC
a New York limited liability Company
98 Mineola Blvd
Mineola, NY 11501
www.burritoblvd.com

The franchise that we offer is for a Burrito Blvd Mexican Grill ("Burrito Blvd"), a fast-casual restaurant, that serves burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas, and other menu items (each, a "Franchised Business" or "Restaurant"). We offer individual unit Restaurant franchises and Multi-Unit Development franchises for the development of multiple Restaurants within a designated territory. A Multi-Unit Operator must develop no fewer than five Restaurants.

The total initial investment necessary to begin the operation of a Burrito Blvd Mexican Grill Restaurant under a Franchise Agreement is $345,300 to $554,500. This includes $30,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin the operation of your first Burrito Blvd Mexican Grill Restaurant under a Multi-Unit Development Agreement is $447,300 to $657,000. This includes $130,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact our CEO, Joseph Vetrano, 98 Mineola Blvd, Mineola, NY 11501 or joseph@burritoblvd.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise." which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 19, 2024

How to Use this Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the Multi-State Addendum. See the Table of Contents for the location of the Multi-State Addendum.

Special Risks to Consider About *This* Franchise

Certain states may require other risks to be highlighted. If so, check the “Multi-State Addendum” (if any) to see whether your state requires other risks to be highlighted.

Certain states require that the following risk(s) be highlighted:

1) **Out-of-State Dispute Resolution.** The franchise and multi-unit operator agreements require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York, than in your own state.

2) **General Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (See Item 21), calls into question the franchisor's financial ability to provide services and support to you.

3) **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise will likely be a riskier investment than a franchise in a system with a longer operating history.

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

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EXHIBITS

ITEM1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor, Burrito Blvd Franchise Group, LLC, is referred to in this franchise disclosure document (the "Disclosure Document") as "we". "us" or "our" as the context requires. A franchisee is referred to in this Disclosure Document as "you" and "your" as the context requires. If you are a corporation, partnership, or other legal entity (a "Corporate Entity"), our Franchise Agreement will also apply to your owners, shareholders, members, officers, directors, and other principals.

The Franchisor. We are a New York limited liability company established on July 6, 2022. Our principal place of business is 98 Mineola Blvd, Mineola, NY 11501. We conduct business under our corporate name and the Burrito Blvd Mexican Grill trade name. Our business is operating the Burrito Blvd Mexican Grill franchise system and granting franchises to prospective franchisees, to develop and operate a Restaurant. We began offering franchises as of the Issuance Date of this Disclosure Document. Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We do not have any predecessors and we do not have any parent company. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

The Franchised Business. We license a system (the "System") for the operation of a Burrito Blvd Mexican Grill, a fast-casual restaurant, serving burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas, and other menu items, for on-premises dining, carryout, catering and delivery (the "Approved Services and Products"). The System is presently identified by the Burrito Blvd Mexican Grill trademark, the Burrito Blvd Mexican Grill logo, and other trademarks, service marks, logotypes, and commercial symbols as we may designate, modify, and adopt from time to time for use in the System and as may or may not be registered with the United States Patent and Trademark Office (collectively referred to as the "Licensed Marks"). The System features a prominent display of the Licensed Marks and our trade dress.

We refer to Restaurants in our System as "Restaurants" and we refer to the Restaurants that you will develop and operate as either "your Restaurant" or the "Franchised Business". You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E (the "Franchise Agreement") to develop and operate a Restaurant from a single fixed location (the "Restaurant Location") within a designated territory. Under the Franchise Agreement, you will develop and operate your Restaurant in conformity with the requirements of our System. The System includes Approved Services and Products that we currently designate and that we may modify, add to or discontinue from time to time, and our specifications, methods and procedures for the preparation, service, marketing, and sale of Approved Services and Products by the Franchised Business. The System also features and requires, as designated by us, your exclusive use of certain food ingredients including raw, partially prepared, and prepared seasonings, sauces, mixes, beverages, and food products used to prepare Approved Services and Products, supplies and equipment designated by us (collectively, the "System Supplies"). You must operate your Restaurant in conformity with the specifications, procedures, criteria, and requirements that we designate in our confidential operations manual and other proprietary manuals that we may designate and loan to you and, as we may from time to time supplement and modify other manuals and communications (collectively, the "Manuals").

Franchise Agreement. You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate one Restaurant from a single Restaurant Location within a designated territory. If you sign a Franchise Agreement, you will be required to develop and operate the Franchised Business in conformity with the requirements of our System and at a Restaurant Location that we accept in writing. Ordinarily, a Restaurant will be located in high traffic retail commercial locations that include strip shopping centers. If you do not have an accepted site for your Restaurant Location you must select a site in accordance with the Franchise Agreement and obtain our written acceptance of the Restaurant Location. Your rights in the System will be limited to the establishment and operation of a single Restaurant serving only our Approved Services and Products from your accepted Restaurant Location and using only our approved System Supplies and suppliers. Your Restaurant must conform to the requirements of our System.

Multi-Unit Development Agreement. If we approve your request, you may have the option, in addition to signing a Franchise Agreement in the form attached as Exhibit E, to sign the Multi-Unit Development Agreement attached to this Disclosure Document as Exhibit F, to develop and operate multiple Restaurants. The total number of Restaurants that you will be required to develop and operate under a Multi-Unit Development Agreement will be at least five (5) Restaurants, as negotiated at the time of signing the Multi-Unit Development Agreement. Each Restaurant must be developed by you within a designated geographic area (the "Development Area") and each Restaurant must be developed and operated under the terms of our then-current individual unit franchise agreement which may differ from the Franchise Agreement included with this Disclosure Document. Your Multi-Unit Development Agreement will include a development schedule (the "Development Schedule") containing a deadline by which you must have each Restaurant open and operating. Your Development Schedule may vary depending on your Development Area and the number of Restaurants that you are required to develop.

Unless otherwise specified, the information contained in this Disclosure Document applies to single-unit development under a Franchise Agreement and multi-unit development under a Multi-Unit Development Agreement. If you are not contracting for the right to develop multiple Restaurants, you will not be signing a Multi-Unit Development Agreement. Even if you sign a Multi-Unit Development Agreement, you will also sign individual Restaurant franchise agreements with the first Restaurant Franchise Agreement being in the form attached to this Disclosure Document as Exhibit E and signed simultaneously with the signing of the Multi-Unit Development Agreement.

Our Predecessors, Parents and Affiliates. We have no predecessor of parent. We have three affiliates.

Our first affiliate is Taco Blvd Corp., a New York limited liability company that was formed on November 10, 2014. This affiliate maintains a principal business address at 345 Gilmore Street, Mineola, NY 11501, and operates a Burrito Blvd Restaurant at 98 Mineola Blvd, Mineola, NY 11501. You will not conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Our second affiliate is RTA Foods Inc. Middle Village., a New York corporation that was formed on April 15, 2019. This affiliate maintains a principal business address at 72-64 Metropolitan Ave., Middle Village, NY, 11379, and operates a Burrito Blvd Restaurant at that same location. You will not conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Our third affiliate is Burrito Blvd Astoria, Corp., a New York corporation that was formed on March 1, 2021. This affiliate maintains a principal business address at 36-20 30th Ave, Astoria, NY, 11103, and operates a Burrito Blvd Restaurant at that same location. You will not conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Market and Competition. The restaurant industry is extremely competitive. You will be competing with numerous restaurants that offer a wide range of food and beverage items in a wide variety of service formats. You will be competing with many local restaurants that are independently owned or part of regional or national franchise chain. These competing restaurants will include restaurants that serve fast casual Mexican cuisine and other foods. The market for the menu items, products and services offered and sold by the Franchised Business is not seasonal and is highly competitive.

Industry Specific Laws. Many states and local jurisdictions have laws, rules, and regulations that may apply to your Restaurant, including rules and regulations related to construction, design and maintenance of your Restaurant, construction requirements, ventilation requirements, zoning and availability of outdoor patios; health and sanitation requirements for restaurant operation and employee practices concerning the storage, handling and preparation of food; restrictions on smoking; availability and cleanliness of restrooms; employee health and safety and emergency preparedness; use, storage and disposal of waste; menu labeling; equal access for the disabled including, requirements imposed by The Americans with Disability Act of 1990 and state equivalent laws that may affect your restaurant construction and/or location requirements, specialized entrance ramps, doors, seating, bathroom facilities and other facility requirements. You should investigate and evaluate how these regulations and requirements and other regulations and requirements apply in the geographic where you will be locating your Restaurant You should consult with your lawyer concerning these and other local laws, rules and regulations that may affect the operation of your Restaurant.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's Nutritional Labeling Guide for Restaurants and Other Retail Establishments provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

You also must offer alcoholic beverages for sale at your Restaurant, unless we permit you to operate a Restaurant that does not offer alcoholic beverages or it is prohibited by applicable law. You must comply with any federal, state, county, municipal, or other local laws and regulations relating to alcohol that may apply to your Restaurant. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Restaurant. You must obtain any applicable real estate permits (such as zoning), real estate licenses, liquor licenses, and operational licenses.

You must have your license to offer alcoholic beverages before you open the Restaurant. The difficulty and cost of obtaining a liquor license and the procedures for securing the license vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

Each of your managers and other employees we designate must be ServSafe (or similar) certified. Certain managers and other employees we designate (including cashiers) must also complete alcohol awareness or TIPS training.

ITEM 2
BUSINESS EXPERIENCE

Joseph Vetrano—Chief Executive Officer
Mr. Vetrano has been our Chief Executive Officer, since our formation in July 2022. He has also been vice-president of our affiliate, Burrito Blvd Astoria, Corp., since its formation in March 2021. He is the Chief Executive Officer of our affiliate, Taco Blvd Corp., since its formation in November 2014.

Robert Matos—Chief Operating Officer
Mr. Matos has been our Chief Operations Officer, since our formation in July 2022. He has been a principal of our affiliate RTA Foods Inc., since April 2019. From February 2015 to the present Mr. Matos has been an independent real estate appraiser in the State of New York.

Gerson Bernal—Director of Franchise Development
Mr. Bernal has been our Director of Operations, since our formation in July 2022. He is General Manager of our affiliate, Taco Blvd Corp., since its formation in November 2014.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement. When you sign a Franchise Agreement you will pay us a non-refundable initial $30,000 franchise fee (the "Initial Franchise Fee"). The Initial Franchise Fee is fully earned by us upon payment and is used, in part, to defray our costs for providing initial training, pre-opening assistance, and to offset certain franchise recruitment expenses. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document.

Delayed Opening Fee: If you are unable to begin operation of your Restaurant within four months after you sign the Franchise Agreement, subject to circumstances outside of your control, you must pay us a delayed opening fee equal to $10,000 per additional 90-day extension period until the Restaurant opens for business, for a maximum of two extension periods, or 180 extra days. If you are not able to open your Restaurant within this additional 180-day period, we may choose to terminate your Franchise Agreement. This fee is not refundable. This fee is not included in the initial investment shown on the cover page of this disclosure document, or in the Initial Investment table in Item 7 of this disclosure document.

Multi-Unit Development Agreement. If you sign a Multi-Unit Development Agreement, you must pay a fixed non-refundable development area fee (the "Development Area Fee") of $30,000 for the first Restaurant authorized under the Multi-Unit Development Agreement, and $25,000 for each Restaurant, over and above the first Restaurant authorized under the Multi-Unit Development Agreement. The minimum number of Restaurants that you may agree to develop is five (5). The Development Area Fee is fully earned by us upon payment, represents consideration for a designated development area as referenced in Item 12 of this Disclosure Document, and, is used to defray our costs for providing pre-opening assistance and to offset certain franchise recruitment expenses.

ITEM 6
OTHER FEES

(1) Fees (1)	(2) Amount	(3) Due Date	(4) Remarks
Royalty Fee (2)	6% of Gross Sales	Payable weekly on Wednesday (unless Wednesday is not a business day, then it is due on the next business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday. Amounts due will be withdrawn by EFT from your designated bank account
Brand Development Fee (3)	2% of Gross Sales	Payable together with the Royalty Fee	If implemented, you must contribute this fee to our System-wide fund that promotes all franchises in the System and which is controlled by us. The Brand Development Fund is described in Item 11

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Local Marketing	2% of Gross Sales	Must be spent monthly	Payable to your local marketing suppliers. Any marketing you wish to use must first be approved by us
Cooperative Marketing [4]	As determined by the members	As determined by us	If a marketing cooperative is formed for your area, you must join the cooperative. Any money you contribute to a cooperative will count toward your local marketing requirement
Initial Training (For New or Replacement Employees)	Our then-current per person training fee, plus expenses Current per person training fee = $1,000	Before Training	We will train up to three people at no additional charge. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages
Additional On-Site Training / Remedial Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = $650	When billed	If you request that we provide additional training at your Restaurant, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Restaurant, and you must reimburse each trainer's expenses, including travel, lodging and meals

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Refresher Training	Our then-current per person fee, plus expenses Current refresher training fee = $1,000	Before training	We periodically may require you, your Operating Principal, your General Manager and/or other Restaurant personnel to attend and complete to our satisfaction any supplemental or refresher training programs we choose to provide
Interest on Overdue Amounts	1.5% per month or the highest rate allowed by applicable law, whichever is less	On demand	Interest may be charged on all overdue amounts. Interest accrues from the original due date until payment is received in full
Audit Fee	Cost of audit (estimated to be between $1,000 and $5,000)	When billed	Payable only if we find, after an audit, that you have understated Gross Sales by 2% or more or you have understated any amount you owe to us. You must also pay the understated amount plus interest
Insufficient Funds Fee	$100 per occurrence	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement
Prohibited Product or Service Fine	$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Renewal Fee	25% of our then-current initial franchise fee for a single unit	Upon renewal of the Franchise Agreement	The Multi-Unit Development Agreement is not subject to renewal

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Transfer Fee (Franchise Agreement and Multi-Unit Development Agreement)	25% of our then-current initial franchise fee per unit	Upon completion of the transfer	No fee charged for a one-time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise
Relocation Fee	Reimbursement of our expenses	On demand	If you wish to relocate your Restaurant
Inspection / Product and Supplier Evaluation	Reimbursement of our reasonable costs	On demand	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use for your Restaurant. Payable also if we determine that your Restaurant is offering items that do not conform to our specifications
Liquidated Damages	See footnote 5		
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the Marks in an unauthorized manner

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Restaurant and its equipment, and we may require you to periodically update technology items. We may require you to remodel or redecorate your Restaurant to meet our then-current image for all Restaurants. We will not require you to remodel or redecorate your Restaurant more frequently than every five years
Charges for "mystery shopper" quality control evaluation	The then-current fee charged by the mystery shopper service provider	As incurred	We may use an independent service to conduct a "mystery shopper" quality control and evaluation program. You must participate in this program. Payable as we direct, either directly to the mystery shopper service provider or to us as a reimbursement, but not to exceed One Thousand Dollars ($1,000).
ServSafe / TIPS (or similar) Certification	$150 per person or the then-current market rate	As needed	Each of your managers and other employees we designate must be ServSafe and TIPS or similarly certified. Payable to an approved supplier
Insurance Premiums	Reimbursement of our costs, plus 10% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf

(1) Fees [(1)]	(2) Amount	(3) Due Date	(4) Remarks
Management Fee	10% of Gross Sales, plus expenses	If incurred	We may step in and manage your Restaurant in certain circumstances, such as death, disability, or prolonged absence. We will charge a management fee if we manage your Restaurant, and you must reimburse our expenses
Point of Sale System Support	$200 to $300	Monthly	Payable to approved supplier
Gift Card Program	Will vary, depending on number of gift cards sold and/or processed	As incurred	Payable to approved supplier. You must participate in our gift card program. Gift cards will be available for sale and redemption at any Restaurant in the System
On-line Ordering Program	$50 to $100	Monthly	If we establish an on-line ordering program in the future, we may require you to participate in the program. Payable to approved supplier

Notes:

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

2. To determine the continuing fees to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Restaurant, whether for cash or credit and regardless of collection in the case of credit. If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point-of-sale system and any cash shortage will not be considered in the determination. Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

The Royalty Fee and Brand Development Fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") weekly on Wednesday based on the Restaurant's Gross Sales for the preceding week ending Sunday. If you do not report the Restaurant's Gross Sales, we may debit your account for 120% of the last Royalty Fee and

Brand Development Fee that we debited. If the fees we debit are less than the fees you owe us, once we have been able to determine the true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

If a state or local law applicable to your Restaurant prohibits or restricts in any way your ability to pay Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then the percentage rate for calculating Royalty Fees shall be increased, and the definition of Gross Sales shall be changed to exclude sales of alcoholic beverages so that the Royalty Fees to be paid by you shall be equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generated $1,000 in Gross Sales, of which $200 is from the sale of alcoholic beverages, then your weekly Royalty Fee is $60 (6% x $1,000). If you are not permitted by law to pay Royalty Fees on the sale of alcoholic beverages, then we must recalculate your royalty percentage so that you still pay the full Royalty Fee. In our example, we must deduct $200 from the Gross Sales and raise your royalty percentage to 7.5% so that we may collect the same $60 Royalty Fee ($1,000 - $200 = $800 x 7.5% = $60).

3. We will establish and administer a Brand Development Fund on behalf of the System to provide national or regional creative materials for the benefit of the System.

4. Cooperatives will include all Restaurants in a designated geographic area, whether owned by us, our affiliates or our franchisees. Each Restaurant has one vote in the cooperative, but no one Restaurant or commonly controlled group of Restaurants will have more than 25% of the total vote. No cooperatives have been established as of the date of this Disclosure Document.

5. If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

ITEM 7
ESTIMATED INITIAL INVESTMENT

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Initial Franchise Fee (1)	$30,000	Lump Sum	When Franchise Agreement Signed	Us
Rent – 3 Months (2)	$15,000 to $36,000	As arranged	As arranged	Landlord
Lease Security Deposit (3)	$10,000 to $24,000	As arranged	As arranged	Landlord
Design & Architect Fees (4)	$7,500 to $15,000	As arranged	As arranged	Designer or Architect
Leasehold Improvements (5)	$145,000 to $220,000	As arranged	As arranged	Contractor
Signage (6)	$6,000 to $12,000	As arranged	As arranged	Suppliers
Equipment, Furniture and Fixtures (7)	$72,000 to $101,000	As arranged	As arranged	Suppliers
ShopKeep POS & Computer Equipment (8)	$4,000 to $9,000	As arranged	As arranged	Suppliers
Office Equipment & Supplies (9)	$2,000 to $3,000	As arranged	As arranged	Suppliers
Business Licenses & Permits (Not Including Liquor License) (10)	$2,000 to $4,000	As arranged	As arranged	Government Agencies
Professional Fees (11)	$2,500 to $4,000	As arranged	As arranged	Attorney, Accountant
Insurance – 3 Months (12)	$3,300 to $4,000	As arranged	As arranged	Insurance Companies
Initial Inventory (13)	$8,000 to $12,000	As arranged	As arranged	Suppliers

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Training Expenses [14]	$3,000 to $10,500	As arranged	As arranged	Airline, Hotel, Restaurant, etc.
Grand Opening Marketing [15]	$5,000 to $10,000	As arranged	Within first 90 days of operation	Suppliers
Additional Funds – 3 Months [16]	$30,000 to $60,000	As arranged	As arranged	You Determine
Total [17]	**$345,300 to $554,500**			

Explanatory Notes to Item 7

1. ***Initial Franchise Fee***. The initial franchise fee is discussed in Item 5.

2. ***Rent***. Our estimates assume that you will lease space for your Restaurant. Your Restaurant must be in a free-standing building, shopping center, shopping mall, or downtown location, and you will need approximately 600 to 2,000 square feet of space. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Restaurant, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords, and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Restaurant, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. ***Lease Security Deposit***. Our estimate assumes you will need to provide one month of rent as a security deposit to your landlord. You may also have to provide security deposits for your utilities.

4. ***Design & Architect Fees***. You must obtain construction plans for the build-out of your Restaurant according to our specifications. We reserve the right to designate and approve of the designer or architect you use.

5. ***Leasehold Improvements***. The cost of leasehold improvements will vary depending on many factors, including (a) the size and configuration of the premises; (b) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures); and (c) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Restaurant. These amounts may vary substantially based on local conditions, including the availability and prices of

labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord-tenant improvement contributions, and the condition of the space before you take possession of the premises. The low end of our estimate assumes that you have leased space that previously operated as a restaurant and that you will convert to a Burrito Blvd Restaurant. The high end of our estimate assumes that you have leased a "vanilla box" space and that more improvements are required. Our estimate does not include any tenant improvement allowance that you may negotiate.

6. ***Signage***. These amounts represent your cost for interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

7. ***Equipment, Furniture and Fixtures***. The equipment you will need includes: freezer, refrigerators, fryers, prep tables, small wares and video monitors. The furniture and fixtures you will need for your Restaurant include: tables, chairs, booths, menu board and décor items. A complete list of required items is contained in our Operations Manual.

8. ***Point of Sale & Computer Equipment***. You must purchase or lease the point of sale and computer system that we designate. Additional information regarding the required point of sale and computer system is included in Item 11.

9. ***Office Equipment and Supplies***. Our estimate includes basic office equipment, including a facsimile machine and phone system, as well as basic office supplies.

10. ***Business Licenses & Permits***. Our estimate includes the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits which are included in the leasehold improvements estimate. The cost of permits and licenses will vary substantially depending on the location of the Franchised Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

If permitted by local zoning, and if you get our approval, you will offer alcoholic beverages from your Restaurant. Since the availability and expenses of acquiring a liquor license vary substantially from jurisdiction to jurisdiction, you should consult the appropriate governmental authority concerning the availability of the required license and the associated expenses for your Restaurant before you sign a Franchise Agreement. The cost of a liquor license can range from under $2,000 to over $300,000, depending on the location and jurisdiction, but can be even higher in some states. We strongly recommend that you verify the cost and availability of a liquor license in your jurisdiction before signing the Franchise Agreement.

11. ***Professional Fees***. We strongly recommend that you engage an accountant or a franchise attorney to advise you in your evaluation of the franchise we are offering.

12. ***Insurance***. These figures are estimates of the cost of the quarterly premiums for the insurance you must obtain and maintain for your Restaurant, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company's practices and your creditworthiness.

13. ***Initial Inventory***. These amounts represent your initial inventory of food and beverage supplies, paper products, cleaning materials and supplies, and retail products.

14. ***Training Expenses***. We provide initial training for up to three people at no additional charge. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals, and applicable wages. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. Our training program lasts for approximately four weeks.

15. ***Grand Opening Marketing***. You must conduct a grand opening marketing campaign during your first 90 days of operation. We may designate a different period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include giveaways of food samples and other promotions, as we require, and we must approve of your grand opening marketing campaign before it is conducted.

16. ***Additional Funds***. You will need capital to support ongoing expenses, such as payroll, utilities, rent, Royalty Fees, and Brand Development Fees if these costs are not covered by sales revenue for your first three months of operation. Our estimate does not include any sales revenue you may generate. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

17. ***Total***. We relied upon our affiliates, experience in operating three Burrito Blvd locations in New York State, since November 2014, when preparing these figures. Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a Restaurant, your management skill, experience and business acumen; local economic conditions; the local market for the Restaurant's products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. These are only estimates, and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

* * * * *

YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT DEVELOPER COSTS FOR FIVE UNITS

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Development Fee (1)	$130,000	Lump Sum	On signing Multi-Unit Development Agreement	Us
Vehicle – 3 Months (2)	$2,000 to $2,500	As Arranged	As Incurred	Suppliers

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Other Expenditures for First Restaurant (3)	$315,300 to $524,500	See First Table	See First Table	See First Table
Total	**$447,300 to $657,000**			

Explanatory Notes to Multi-Unit Investment Table

1. ***Development Fee***. This is the fee to develop five Restaurants. You will pay a $30,000 fee for the first Restaurant and $25,000 for each of the remaining four Restaurants.

2. ***Vehicle***. You may need a vehicle to travel between Restaurant construction sites.

3. ***Other Expenditures for First Restaurant.*** These costs are shown in the Item 7 table for one Restaurant, less the initial franchise fee.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Services and Products. You may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Restaurant in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

Source Restricted Purchases and Leases - Generally
We require that you purchase or lease certain source restricted goods and services for the development and operation of your Restaurant. Source restricted goods and services are goods and services that must meet our specifications or that must be purchased from an approved or designated supplier, which may include us or our affiliates. We may designate a supplier, including ourselves or our affiliates, as the exclusive supplier for the System. No officer of the Franchisor has an interest in any supplier. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System.

Suppliers and Supplier Criteria
We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If, in the Manuals, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from

suppliers who meet our specifications and standards.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information, samples, and testing data that we may request. We may charge you a fee equal to the costs and expenses that we incur in reviewing and evaluating an alternate supplier, product, and/or service requested by you. We may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time not exceeding 60 days after we receive your written request and all additional information and samples that we request. We may, in our sole discretion, withhold our approval. We do not make our procedures or criteria for approving suppliers available to our System franchisees, except that when evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole determination, will allow us to advance the overall interests of the System and our company.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers, to represent approximately 75% of your total purchases and leases in establishing the Franchised Business and approximately 50% of the on-going operating expenses of the Franchised Business. We currently require that you purchase or lease the following source-restricted goods and services:

1. Lease: We do not review the terms of the lease for your Restaurant Location but require that your landlord acknowledge our rights as outlined in the lease rider attached as Exhibit 5 to the Franchise Agreement (the "Lease Rider") and that you collaterally assign the lease to us as outlined in the collateral assignment of lease attached as Exhibit 6 to the Franchise Agreement. We possess the right to disapprove of a proposed lease if the landlord refuses to sign the Lease Rider in substantially the form set forth in Exhibit 5 to the Franchise Agreement. The Lease Rider grants certain rights to us, including our right to be notified in the event of a lease default and, potentially, for us to enter the premises of your Restaurant.

2. System Supplies Your Restaurant must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies, as designated by us, from us, our affiliates, and/or our designated suppliers.

3. Furniture and Fixtures: Your Restaurant must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers, brands and models. If the furniture and fixtures that we designate are specified to be branded with the Licensed Marks, then you may only purchase them from our designated exclusive suppliers.

4. Signage: The signage for your Restaurant must meet our standards and specifications and must be purchased from our designated suppliers.

5. Point of Sale System, and Computer Equipment: Currently you are required to purchase, license and utilize the Shopkeep point of sale system with at least two (2) configured hardware terminals. Additionally, you must purchase and maintain a computer system on-site at your Restaurant Location. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as electronic tablets and printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.

6. Credit Card Processing: You must use our designated supplier and vendor for credit card processing which may be integrated with the point of sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.

7. On-Line Ordering: Customer Rewards, and Gift Cards - You must use our designated supplier and vendor for the ability to access and use online, point of sale integrated, web based, and/or app based, ordering, customer rewards, and/or gift card systems.

8. Third-Party Delivery Services: The operations of your Restaurant must comply with our policies, procedures, requirements and restrictions respecting the use of third-party food delivery services and third-party online ordering services. We may restrict or prohibit your use of and/or participating in third- party delivery services and/or third-party online ordering services. To the extent that we grant you the right to use a third-party delivery service and/or online ordering service we may require that you do so through accounts and/or agreements controlled by us.

9. Branded Items and Marketing Materials: All materials bearing the Licensed Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) must meet our standards and specifications and must be purchased from either us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Restaurant through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.

10. Insurance: You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as outlined in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or before the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements outlined in the chart below and the Franchise Agreement (Article 8 of the Franchise Agreement). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

Franchisees must secure:
a) Builder's risk insurance that satisfies the standards and specifications set forth by Franchisor in the Manual or otherwise in writing to cover any period(s) of renovation or construction at the Restaurant.
b) All risk coverage insurance on the Restaurant and all fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value of the equipment, improvements, and betterments, without any applicable co-insurance clause, except that an appropriate deductible clause shall be permitted.
c) Worker's compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule of the state in which the Restaurant is located and operated. If the Franchisee is permitted to and elects not to have worker's compensation insurance for its owners and officers, the Franchisee shall have alternative coverages at all times for work-related injuries.
d) Comprehensive general liability insurance with limits of at least Three Million Dollars ($3,000,000) per occurrence, and Ten Million Dollars ($10,000,000) general aggregate, and product liability insurance with limits of at least Two Million Dollars ($2,000,000) general aggregate limit including the following coverages: personal injury (employee and contractual inclusion deleted); products/completed operation; and tenant's legal liability; insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Restaurant, provided that the required amounts herein may be modified from time to time by Franchisor to reflect inflation or future experience with claims.
e) Property damage liability with at least Five Hundred Thousand Dollars ($500,000) combined single limit, and One Million Dollars ($1,000,000) general aggregate limit.
f) Liquor liability with at least Three Million Dollars ($3,000,000) per occurrence.
g) Excess liability coverage over general liability, automobile liability, liquor liability and employer's liability, with at least Four Million Dollars ($4,000,000) per occurrence.
h) Such insurance and types of coverage as may be required by the terms of any lease for the Premises, or as may be required from time to time by Franchisor.
i) Business interruption insurance for actual losses sustained of no less coverage than One Million Dollars ($1,000,000) per occurrence. and
j) All other insurance that we require in the Manual or that is required by law or by the lease or sublease for the Franchised Business.

11. Purchase Agreements and Cooperatives. We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source-restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Restaurants under the System. We may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently, there are no purchase or supply agreements in effect for source-restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases
We and/or our affiliates may receive rebates, payments, and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. As of the Issuance Date of this Disclosure Document, we have not received revenue from suppliers from franchisee purchases of source-restricted products or

services. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the following table, the abbreviation "FA" refers to the Franchise Agreement, and the abbreviation "MUDA" refers to the Multi-Unit Development Agreement.

Obligation	Article or Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	FA: Exhibit A/ MUDA: Section 3	Items 7, 8 and 11
(b) Pre-opening purchases/lease	FA: Article 5	Items 5, 7 and 11
(c) Site development and other pre-opening requirements	FA: Article 5	Items 7, 8 and 11
(d) Initial and ongoing training	FA: Article 6	Items 6, 7 and 11
(e) Opening	FA: Article 5	Item 11
(f) Fees	FA: Articles 4 and 13/ MUDA: Section 2	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/operating manual	FA: Articles 8, 10, and 13	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	FA: Articles 8.8, 8.10, 9/ MUDA: Section 7	Items 13 and 14
(i) Restrictions on products/services offered	FA: Articles 1.3 and 8.6/ MUDA: Section 7	Item 16
(j) Warranty and customer service requirements	FA: Article 23	Items 1 and 16
(k) Territorial development and sales quotas	FA: Article 1 and Exhibit A/ MUDA: Section 3	Item 12
(l) On-going product/service purchases	FA: Article 8	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: Articles 5 and 8	Not Applicable
(n) Insurance	FA: Article 14	Items 6, 7 and 8

Obligation	Article or Section in Agreement	Disclosure Document Item
(o) Advertising	FA: Article 12	Items 6, 7 and 11
(p) Indemnification	FA: Article 21.4/ MUDA: Section 14	Item 6
(q) Owner's participation/ management/ staffing	FA: Articles 8.3 and 8.4/ MUDA: Section 7	Items 11 and 15
(r) Records and reports	FA: Article 12	Item 6
(s) Inspection and audits	FA: Article 8.9/ MUDA: Section 12	Item 6
(t) Transfer	FA: Article 15/ MUDA: Section 11	Items 6 and 17
(u) Renewal	FA: Article 2.2/ MUDA: Section 5	Items 6 and 17
(v) Post-termination obligations	FA: Article 17/ MUDA: Section 10	Item 17
(w) Non-competition covenants	FA: Article 18/ MUDA: Section 12	Item 17
(x) Dispute resolution	FA: Article 27/ MUDA: Section 19	Items 11 and 17
(y) Liquidated damages	FA: Article 17.11	Item 6

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligation

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

1. Grant of Franchise—We will grant you the right to operate a Restaurant at a single Restaurant Location within a designated territory. (Franchise Agreement, Article 2);

2. Franchise Agreement Designated Territory—Once you secure a Restaurant Location that we approve, we will define the Designated Territory for your Restaurant and include the geographic boundaries and/or a description of your Designated Territory within Schedule 1 of the Franchise Agreement. (Franchise Agreement, Article 2, and Schedule 1):

3. Multi-Unit Development Agreement Development Area —If you have entered into a Multi-Unit Development Agreement, we will designate your Development Area. The Restaurants to be developed by you must be located within the Development Area. Once you select a Restaurant Location that we approve within the Development Area, within the franchise agreement for each respective Restaurant we will define the Designated Territory and include the geographic boundaries and/or a description of your Designated Territory for each respective Restaurant. (Multi-Unit Development Agreement, Article 2). Our approval or disapproval of future Restaurant locations that may be developed under a Multi-Unit Development Agreement will be based on our then-current site selection criteria;

4. Manuals - We will provide you with access to our confidential and proprietary Manuals. You must operate the Franchised Business following the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify, and update the Manuals. (Franchise Agreement, Articles 1 and 4.C.). As of the Issuance Date of this Disclosure Document, the Manual consists of 60 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). The major subjects contained in the operations manual consist of establishing, developing, marketing, and operating the Franchised Business;

5. Site Review, Approval, and Designated Territory —We will review the proposed site that you select for your Restaurant and will notify you of acceptance or rejection of the site. Once you select a site that we accept for the location of your Restaurant, we will identify your Designated Territory. If, however, you negotiate and we agree to designate and grant to you a Designated Territory before you select a Restaurant, then you must locate your Restaurant within the Designated Territory and at a site that we accept. Additional information about site selection is discussed in more detail below in Item 11.

6. Approved Suppliers and Distributors - We will provide you with a list of our approved suppliers and distributors, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

7. Signs, Equipment, Furniture, and Fixtures - We will provide you with a list of our approved signage, equipment, furniture, and fixtures, either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not assist in delivering or installing signs, equipment, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);

8. Website and Digital Media - We will identify your Restaurant on our website. You may not use any websites, web-based media or digital media unless expressly approved by us in writing. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.F. and 9); and

9. Initial Training - Not less than 45 days prior to the opening of your Restaurant you or your Managing Owner and one management-level employee or Owner must attend and complete our initial training program. We will provide you and, up to one of your designated managers, with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your managing owner and one operating manager at our training facility located in Mineola, New York. The training program takes place over 2 weeks and is described below in more detail.

Site Selection

Although you are responsible for selecting a site for your Restaurant Location you must obtain our approval of your Restaurant Location. We do not typically own or lease the real property that will serve as your Restaurant Location and you are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. Before you enter into a lease or other agreement for your Restaurant Location you must obtain our approval. We will provide you with site selection guidelines. If your Franchise Agreement specifies and designates a Designated Territory, your Restaurant Location must be located within your Designated Territory at a site that we approve. If you sign a Multi-Unit Development Agreement then each Restaurant Location must be located within the Development Area designated in the Multi-Unit Development Agreement and, as applicable, at sites that we accept within the Development Area. Your rights in your Restaurant Location must be subordinate to our rights as set forth in the Lease Rider attached as Exhibit 5 to the Franchise Agreement and the Collateral Assignment of Lease attached as Exhibit 6 to the Franchise Agreement.

While there is no specified time limit for us to review the proposed site for your Restaurant Location, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request. In determining whether to accept or not accept proposed site for your Restaurant Location, factors that we take into consideration include: (a) demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) characteristics of the proposed site; (c) the location of your proposed site relative to your overall Designated Territory and proximity to other Restaurants, if your Designated Territory was previously designated; (d) the location of your proposed site relative to your overall Development Area and proximity to other Restaurants, if you signed a Multi-Unit Development Agreement and your Development Area was previously designated; and (e) whether or not the landlord for the Restaurant Location approves of our Lease Rider in substantially the same form as contained in Exhibit 5 of the Franchise Agreement.

Within 60 days of signing your Franchise Agreement, you must secure a Restaurant Location and lease that we accept (Franchise Agreement, Article 3.A.). If you do not meet this requirement for any reason, including our disapproval of a proposed restaurant location and/or your failure to find a suitable restaurant location that we accept during the 60 days, we may terminate your Franchise Agreement without refunding any fees to you if you do not cure this default within 30 days of notice from us. You must consult with government agencies, architects, and legal professionals to evaluate and determine that your Restaurant Location permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a restaurant that offers and provides the Approved Services and Products. (Franchise Agreement, Articles 2,3,7 and 16).

Time to Open

You may not open your Restaurant until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Designated Territory, obtained and provided us with written proof of the required insurance, and have timely secured a Restaurant Location that we accept.

We estimate that the length of time between signing your Franchise Agreement and opening your Restaurant to be approximately six (6) to nine (9) months. Factors that may affect this estimated time include (a) evaluating and selecting a suitable site for your Restaurant Location; (b) timeliness of your submission to us of information and documentation that we may request in determining whether or not to accept of the site for your proposed Restaurant Location; (c) length of time taken by you to complete our initial training program; (d) negotiating and obtaining a suitable lease for your Restaurant Location that is accepted by us; (e) obtaining third-party lender financing, if necessary; and (f) obtaining the necessary licenses for the operation of your Restaurant. Other factors that may affect this time period include availability of equipment, delays associated with equipment installation and the construction and/or installation of your leasehold improvements and fixtures. You must open your Restaurant within ten (10) months from the effective date of your Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you. (Franchise Agreement, Articles 3.C.).

<u>Post-Opening Obligations</u>

1. Supplemental Training - We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. We may provide, in our discretion, supplemental training on-site at your Restaurant Location. You will be required to pay our then current supplemental training fee, currently $300, per on-site trainer, per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4 A.):

2. Initial Training for Replacement Operating Manager(s) - Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be complete to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is our Restaurant located in Mineola, New York, which is also the current certified training Restaurant. You will be required to pay our then current supplemental training fee for your replacement Operating Manager, currently $300, per manager, per day for each replacement manager attending our initial training. You will also be responsible for all costs incurred by your managers in attending our initial training (Franchise Agreement, Article 4.A. and 4.C.).

Initial Training for Replacement Operating Manager(s) will be provided by us at the facilities that we designate, presently our Restaurant located in Mineola, New York and at the certified training Restaurant that we designate in Mineola, New York. You will be required to pay our then current supplemental training fee for your replacement Operating Manager, currently $300, per manager, per day for each replacement manager attending our initial training. You will also be responsible for all costs incurred by your managers in attending our initial training (Franchise Agreement, Article 4.A. and 4.C.):

3. Communication of Operating Standards - We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your Restaurant including, but not limited to, Approved Services and Products, System Supplies, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals which we may, in our discretion, modify from time to time. (Franchise Agreement, Articles 4.B. and 4.C.):

4. Marketing Standards and Approval - We may establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, those marketing materials and mediums that you may utilize. We will respond to your

request respecting the communication of our approval or disapproval of marketing materials and mediums that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing materials and media that you may use in the marketing and promotion of the Franchised Business (Franchise Agreement, Article 4.B.);

5. Approved Vendors - We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Supplies. (Franchise Agreement, Article 4.B;

6. Annual System Conference - We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. We may charge an annual conference fee not exceeding $1,500. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Article 4.B.);

7. Administration of Marketing Funds - We may administer and manage System-wide marketing funds comprised of a Brand Development Fund. (Franchise Agreement, Articles 9.A. and 9.F.);

8. Hiring and Training of Employees - We do not assist with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. For the protection of the System, you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel and uniforms including, but not limited to, the apparel and uniforms comprising System Supplies. You must monitor and ensure that all System Supplies and Approved Services and Products are prepared, maintained, and served following the System standards and Manuals; and

9. Pricing - You will exclusively determine the prices that you charge for the Approved Services and Products served and sold by your Restaurant. We may, however, suggest pricing levels as recommendations.

<u>Advertising</u>

1. Generally - All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your Restaurant must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and media that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your designated territory and we are not required to conduct any advertising on behalf of the franchise System or on your behalf. (Franchise Agreement, Article 9). In the most recently concluded fiscal year, we did not collect any advertising funds

2. Local Marketing - You are not authorized to engage in any marketing unless it is pre-approved by us (Franchise Agreement, Article 9.B.). at our discretion. On an ongoing calendar year basis, you must spend not less than 2% of your Gross Sales each calendar quarter on pre-

approved marketing within your designated territory.. We will review your local marketing programs and notify you if we approve same. We will make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. In those instances where we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. You will, however, incur the direct costs associated with customizing, duplicating, and using such marketing campaigns and in having them printed, distributed, or placed with media sources. (Franchise Agreement, Article 9):

3. Digital Media and Website - All digital media and marketing must be approved by us. We will designate for your Designated Territory information about your Restaurant on the www.burritoblvd.com webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9).

4. Brand Development Fund - We may control and administer a brand development fund (the "Brand Development Fund") (Franchise Agreement, Article 9A.). As disclosed in Item 6 of this Disclosure Document, you must contribute a weekly sum not to exceed 2% of weekly Gross Sales to the Brand Development Fund. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy, and commercials, tracking costs, agency fees, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing, and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate-owned Restaurants may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will maintain unaudited financial records detailing its expenditures and will make available to you, no more frequently than one time in any 12 months, an unaudited accounting of how monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Restaurant or the marketing area in which your Restaurant will be located. (Franchise Agreement, Article 9.A.). We may use the Brand Development Fund to develop and test various media and technologies for potential use and/or improvement of the operations of Restaurants and the marketing of Restaurants. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Restaurants. You may or may not benefit from these technology developments and improvements. The Brand Development Fund will be uniformly imposed upon all franchisees. (Franchise Agreement, Article 9.A.).

4. Administrative Uses-We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses, and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not use the Brand Development Fund to directly market the sale of Restaurants, but may do so indirectly by requiring and including

information as to the availability of Restaurant franchises for sale and contact information for franchise inquiries on and within advertising, marketing, and brand development materials, including the System website, developed with Brand Development funds.

We have not established and do not currently require any contribution to a Brand Development Fund;

5. Local and Regional Advertising Cooperative - We possess the exclusive right to authorize, establish, designate, and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television, and digital. If we establish a cooperative within a market that includes your Restaurant you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures, and allocations. We may require that cooperative decisions be made based on the approval of a simple majority of franchisee members based on one vote per Restaurant located and a quorum of not less than twenty-five percent of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists in the area of your Restaurant, you will be required to participate in the cooperative per the provisions of our Operations Manual which we may supplement and modify from time to time.

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and

6. Advertising Council - We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A).

Computer System

You must purchase, license, and use the computer, point of sale, business management, and ordering systems that we designate. Currently, the designated point of sale system that you must license and use is ShopKeeper and, as otherwise designated by us in the Manuals. You must purchase one (1) configured and licensed point-of-sale hardware terminal. Additionally, you must purchase and maintain a computer system on-site at your Restaurant Location. Generally, you will be required to obtain a computer system that will consist of certain hardware and software and, among other things, you will be required to meet our requirements for (a) back office and point of sale systems; (b) security systems; (c) printers and other peripheral devices;
(d) archive and backup systems; and (e) high-speed internet access. The initial upfront cost of the point of sale and computer system that you will be required to purchase ranges from $4,000 to $9,000. You are obligated to install and/or access all required point-of-sale and software upgrades as recommended by the manufacturer of the computer and the licensor of the point-of-sale system. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair, and updates for the computer and point-of-sale systems is estimated to not exceed $4,000 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. We will have independent access to all of the information and data that is

electronically transmitted on your point of sale system and will have access to all data related to the financial performance of your Restaurant. There are no contractual limitations on our right to access your point of sale system.

Initial Training
If this is your first Restaurant we will provide initial training for you, or if you are a corporate entity, your managing owner, plus one designated manager. You or your managing owner and your general manager must successfully attend and complete the initial training program to our satisfaction no later than 45 days before the opening of your Restaurant. The initial training program takes place over an approximate 2-week period. If more than two individuals attend initial training you will be charged an additional fee per additional persons attending initial training. Although we provide you and your general manager with initial training at no additional fee or charge, you will be responsible for paying for all travel expenses and employee wages that you incur in your initial training attendance and participation. (Franchise Agreement, Article 4). We provide our initial training program no less frequently than quarterly and on an as-needed basis.

TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program:

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction	1	1	
Product Overview	2	6	Mineola, New York
Restaurant Location	1	0	Mineola, New York
Restaurant Location Build-out	1	2	Mineola, New York
Grand Opening	1	1	Mineola, New York
Restaurant Operations	5	8	Mineola, New York
Pricing	2	1	Mineola, New York
Customer Service	2	2	Mineola, New York
Training/Management	5	6	Mineola, New York
Bookkeeping	1	1	Mineola, New York
Fast Casual Restaurant Industry Overview	1	1	Mineola, New York
Clean-up/Sanitation	1	5	Mineola, New York
Security and Disaster Planning	1	1	Mineola, New York
POS -ShopKeeper	2	2	Mineola, New York
Recipes & Ingredients	2	3	Mineola, New York
Marketing/Advertising	1	1	Mineola, New York
Subtotal Hours	29	41	
Total Hours	**70**		

Instructional materials that will be used in the initial training process includes our Manuals, live instruction, digital materials and handouts. Initial training will be conducted or supervised under the direction and supervision of our Director of Operations, Gerson Bernal. The level of experience of our trainers will, at a minimum, include each trainer's satisfactory completion of our initial training program. In addition to initial training you will also be required to participate in and satisfy all other training programs that we may designate respecting the Franchised Business. (Franchise Agreement, Articles 4 and 7.J.).

Your initial training will be followed by three (3) days of on-site staff training and two (2) days of on-site opening assistance.

After the opening of your Restaurant we reserve the right to require that you (or your managing owner if you are a corporate entity) attend a system-wide training program (the "System-Wide Training Program") that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our affiliate owned Restaurant in Mineola, New York and you will be responsible for all travel and expenses, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of 5 days in any calendar year.

ITEM 12
TERRITORY

Franchise Agreement
Under the Franchise Agreement, we will grant to you the right to develop and operate one Restaurant at a specific Restaurant Location. If the location is not known at the time you sign a Franchise Agreement, then your Restaurant Location is subject to our approval.

Once you identify a site that we approve for your Restaurant Location we will designate an area around your site as your designated territory (the "Designated Territory"). While there is no minimum size for a designated territory, the scope and size of the area comprising your Designated Territory will, generally, be the smaller of a distance of 3 miles from the Restaurant Location in all directions travelable by road or, a territory encompassing a population of 50,000 people as of the date of the Franchise Agreement. If your Restaurant is located within a shopping mall, arena or a similar leisure facility with a captive market, your Designated Territory may be limited to the physical boundaries of the mall or leisure facility. Depending on the demographics and geography we may designate your Designated Territory where your Restaurant is located at the center of the Designated Territory or where your Restaurant is located elsewhere within the Designated Territory. We may identify your Designated Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

Your right to relocate your Restaurant is not guaranteed and approval of a request by you to relocate your Restaurant is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Restaurants, our expansion plans, the designated territory, demographics, and other factors that, at the time of a relocation request, are relevant to us.

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Franchised Business within your Designated Territory.

We and our affiliates reserve to ourselves the exclusive right on any terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2D and Multi-Unit Development Agreement, Article 2.3). to engage in the following activities (our “Reserved Rights”): (a) operate and grant to others the right to develop and operate Restaurants and Franchised Businesses using the System and Licensed Marks at locations outside your Designated Territory and, if applicable, Development Area, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Area; (b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, the Franchised Business, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, within your Development Area; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, your Development Area; (d) operate, and grant to others the right to own and operate, a Restaurants within or at captive market locations including, but not limited to, indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, recreational parks or facilities, schools, colleges and other academic facilities, seasonal facilities, shopping malls, theaters, workplace cafeterias and hotels, both within and outside your Designated Territory and, if applicable, your Development Area; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

There are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

You are required to target and direct the marketing of your Restaurant to customers located within your territory. You may only offer and sell Approved Products and Services from your Restaurant Location located within your Designated Territory and, only to (a) retail customers for consumption on the premises of your Restaurant Location, (b) personal carryout from your Restaurant Location, (c) delivery customers located within your Designated Territory, and (d) catering to customers physically located within your Designated Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Franchised Business at a location within your Designated Territory.

We and our affiliates reserve to ourselves the exclusive right on any terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2D and Multi-Unit Development Agreement, Article 2.3). to engage in the following activities (our "Reserved Rights"): (a) operate and grant to others the right to develop and operate Restaurants and Franchised Businesses using the System and Licensed Marks at locations outside your Designated Territory and, if applicable, Development Area, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Area; (b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, the Franchised Business, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, within your Development Area; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, your Development Area; (d) operate, and grant to others the right to own and operate, a Restaurants within or at captive market locations including, but not limited to, indoor malls, airports, transportation stations, factories, government facilities, military bases, hospitals, amusement parks, recreational parks or facilities, schools, colleges and other academic facilities, seasonal facilities, shopping malls, theaters, workplace cafeterias and hotels, both within and outside your Designated Territory and, if applicable, your Development Area; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

There are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

You are required to target and direct the marketing of your Restaurant to customers located within your territory. You may only offer and sell Approved Products and Services from your Restaurant Location located within your Designated Territory and, only to (a) retail customers for consumption on the premises of your Restaurant Location, (b) personal carryout from your Restaurant Location, (c) delivery customers located within your Designated Territory, and (d) catering to customers physically located within your Designated Territory.

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sell or will sell goods or services similar to those that will be offered by you through the Franchised Business.

Multi-Unit Development Agreement

You do not have the right to establish additional Restaurants unless you sign a Multi-Unit Development Agreement.. If we enter into and sign a Multi-Unit Development Agreement you will have the right to develop a mutually agreed upon number of additional Restaurants within a specified Development Area. The size of your Development Area will vary significantly from other franchisees and your right to develop additional Restaurants under a Multi-Unit Development Agreement will be subject to your timely compliance with the agreed-upon development schedule, your compliance with the terms of your Multi-Unit Development Agreement, and your compliance with all other agreements with us and our affiliates, including all Franchise Agreements. Our approval of future Restaurant Locations and their respective designated territories will be based on our then-current site and territory criteria.

We retain the right, in our sole discretion and without granting any rights to you: (a) to own and operate, or to grant other persons the right to own and operate, Restaurants at locations outside the Development Area, and on terms and conditions that we deem appropriate; and (b) to sell outside the Development Area the services and products authorized for Restaurants under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and on terms and conditions that we deem appropriate.

Continuation of your development rights does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Area for these reasons.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos, and indicia of origin designated by us, including the Marks described in Item 1 and below. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Operator Agreement does not give you the right to use the Marks or our System.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

The following principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, and will be used by you in the operations of the Franchised Business but are not registered with the United States Patent and Trademark Office (“USPTO”). As to each of these principal trademarks:

We do not have a federal registration for each of these principal trademarks. Therefore, the trademarks identified below do not have many legal benefits and rights that are afforded to federally registered trademarks. If our right to use the trademarks (identified below) is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The following principal Marks are registered or pending registration with the U.S. Patent and Trademark Office (“USPTO”) on the Principal Register:

Mark	Filing Date	Serial Number	Registration Date	Registration Number
Burrito Blvd (word mark)	June 27, 2022	97477832	Pending	Pending

There are no agreements currently in effect which limit our right to use or to license others to use the Marks We intend to file all required affidavits and to renew its registration for the Mark when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above which may be relevant to their use in this state or in any other state.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in the state where the Restaurant will be located. You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Controlling Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity (including any affiliate) having an interest in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that your conduct in the use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

If it becomes advisable at any time in our sole discretion, we may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System. You must comply with our directions within a reasonable period of time after receiving notice. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to franchisees;

2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and

3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the United States Patent and Trademark Office for the issuance of any patents.

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Manuals contain information about our System, Approved Services and Products, System Supplies, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Manuals and the information maintained in the Manuals as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Manuals or the information contained in the Manuals. You must also restrict access to the Manuals to management-level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Manuals and refrain from distributing or disclosing the Manuals and the information contained in the Manuals. You must provide us with immediate notice if you learn of any unauthorized use of the Manuals or of the information contained in the Manuals, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Manuals. We will take any action(s) or, refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials per our written instructions.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you or, if you are a Corporate Entity, your designated managing shareholder, member or partner (your “Managing Owner”) be personally responsible for the management and overall supervision of your Restaurant. Your Managing Owner must complete, to our satisfaction, our initial training program and be approved by us. While we recommend that your Managing Owner personally participate in the day-to-day management and on-site supervision and operations of your Restaurant, you may hire an operating manager to supervise and manage the day-to-day on-site operations of your Restaurant provided that your operating manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs our confidentiality agreements (an "Operating Manager"). At all times, your Restaurant must be managed and supervised on-site by either a Managing Owner or Operating Manager. If you own and operate multiple Restaurants then each Restaurant must be managed and supervised on-site by an Operating Manager.

You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (collectively, "Owners"), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and the spouse of each Owner must personally guarantee your obligations to us under the Franchise Agreement (Franchise Agreement, Article 6 and, Franchise Agreement Exhibits 1 and 2). You and each Owner and spouse must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with the Franchised Business, and that for 24 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), neither you nor your Owners and their spouses will participate in any competitive business located within and/or servicing customers located within your Designated Territory and a 10 mile radius surrounding your Designated Territory. Further, you will not participate in any competitive business located within and/or servicing customers located within a 10-mile radius of any other Burrito Blvd Mexican Grill Restaurant and/or the designated territory of any other Burrito Blvd Mexican Grill Restaurant. Your managers and all other employees and agents with access to our confidential information will be required by us to sign a confidentiality agreement (Franchise Agreement, Article 6 and. Franchise Agreement, Exhibit 3).

ITEM 16
RESTRICTIONS ON PRODUCTS AND SERVICES SOLD

You may only sell the Approved Services and Products as specified in the Manuals or otherwise approved by us in writing and may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered sold by Burrito Blvd Mexican Grill Restaurants. You are not limited to whom you may sell products and services of your Burrito Blvd Mexican Grill Restaurant, provided you do so exclusively from your Restaurant Location and as otherwise required by and in compliance with the standards we determine for the System.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	**Section Franchise Agreement**	**Summary**

a. Length of the franchise term	2.B	The term of your Franchise Agreement is 10 years
b. Renewal or extension of the term	15	If you meet our conditions for renewal you may renewyour franchise for one additional 10 year term.
c. Requirements for franchisee torenew or extend	15	To renew your franchise you must be in compliance with the terms of your Franchise Agreement, provide us with one180 days prior written notice of your request to renew, sign our then current form of franchise agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, remodel and upgrade your Restaurant to meet our standards and specifications, secureand possess the legal right to continue to occupy the premises of your Restaurant location, and meet all other renewal requirements contained in the Franchise Agreement. Your owners must be in compliance with their agreements with us including the Franchise Owner and Spouse Agreement and Guaranty and they must personally guaranty the terms of your renewal franchise agreement which may contain terms materially different from your current Franchise Agreement.
d. Termination by franchisee	16.B	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of timethat is reasonable to cure the material breach.
e. Termination by franchisorwithout cause	Not applicable	Not applicable.
f. Termination by franchisor withcause	16.A.	We can terminate if you are in default of the terms of theFranchise Agreement.
g. “Cause” defined-curable defaults	16.A.(3), 16.A.(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours. Also, if you fail to pay a supplier without, as determined by us, a legal justification. Provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you, fail to: timely lease a location that we approve for your Restaurant; timely develop and open your Restaurant; operate your Restaurant in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or

		operate your Restaurant in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the Operations Manual; fail to operate your Restaurant in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.
h. "Cause" defined-non-curable defaults		The following are defaults that cannot be cured: 3 or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the Operations Manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your Restaurant Locations; You or your owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the Operations Manual and/or of confidential information; You or your owners engage in intentionally dishonest or unethical conduct that impacts our System; You and/or your owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify of us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchise Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised

		Business to foreclose on a lien on equipment of the Franchise Business and such action is not dismissed after 60 days; and/or real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; you abandon or fail to continuously own and operate the Franchised Business.
i. Franchisee's obligations on termination/non-renewal	6,17	You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the Operations Manual, the Business Management System, the Business Management System Data, and the System Supplies; return the Operations Manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.
j. Assignment of the contract by franchisor	14A	No restriction on our right to assign.
k. "Transfer" by franchisee-definition	14B	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect:(a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchangeof shares or other ownership interests, issuance of additionalownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership (a) an assignment, sale, gift, transfer, pledge or sub- franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchangeof shares or other

		ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership.
l Franchisor's approval of transfer by franchisee	14.B	Transfers require our prior written consent, which may begranted or withheld in our discretion.
m. Conditions for franchisor's approval of transfer	14.C	Provide us with 30 days prior written notice of the proposed transfer; you and your owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchise Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; and we approve of the transfer and transferee in writing and subject to our discretion; you pay the Transfer Fee (Subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business.		We have the right to match any offer to purchase your Restaurant or the corporate entity operating your Restaurant.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within sixty days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of

		the Franchise Agreement. If franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.
r. Noncompetition covenants after the franchise is terminated or expires	6,17E.	No involvement, ownership or interest whatsoever for 24 months in any competing business in: your designated territory; a 10-mile radius of your designated territory; a 10- mile radius of the designated territory of any other Restaurant; and you must comply with confidentiality, non- disclosure and non-solicitation covenants.
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Nassau County, New York and, if mediation is unsuccessful, then to binding arbitration in Nassau County, New York. This provision is subject to applicable state law.
v. Choice of forum	18.G.	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Nassau County, New York or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.
w. Choice of law	18.F	New York law will govern. This provision is subject to state law and as otherwise disclosed in Exhibit I to this Disclosure Document.

The Franchise Relationship Under a Multi-Unit Development Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Sections in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	3	Varies depending on the number of Restaurants to be developed and the Development Area. The agreement commences on the effective date and the term automatically expires at the earlier of the opening of the final Restaurant required for development, or the last day of the calendar month in which the final Restaurant was required to be open under the Multi-Unit Development Agreement.
b. Renewal or extension of the term	Not applicable	There is no renewal of the Multi-Unit Development Agreement.
c. Requirements for franchisee to renew or extend	Not applicable	There is no renewal of the Multi-Unit Development Agreement.
d. Termination by franchisee	Not applicable	There is no option for your termination of the Multi- Unit Development Agreement.
e. Termination by franchisor without cause	Not applicable	We can terminate without cause only if you and we mutually agree, in writing, to terminate.
f. Termination by franchisor with "cause"	3.2	We may terminate your Multi-Unit Development Agreement with cause. Your Multi-Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi-Unit Development Agreement; (b) if you for 4 consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Restaurants within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single

		Development Period including, but not limited to, your failure to establish, open and/or
		maintain the cumulative number of Restaurants in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Restaurant and/or any other franchise agreement between you and us.
g “Cause” defined-curable defaults	Not applicable	Not applicable.
h. “Cause” defined-non-curable defaults	3.2	Your Multi-Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi-Unit Development Agreement; (b) if you for 4 consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Restaurants within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single Development Period including, but not limited to, your failure to establish, open and/or maintain the cumulative number of Restaurants in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Restaurant and/or any other franchise agreement with us.

i. Franchisee's obligations on termination/non-renewal	Not applicable	You lose all rights under the Multi-Unit Development Agreement. There are no renewal rights respecting the Multi-Unit Development Agreement.
j. Assignment of the contract by franchisor	6	There are no restrictions on our right to assign.
k. "Transfer" by franchisee-definition	6	You have no right to transfer the Multi-Unit Development Agreement.
1. Franchisor's approval of transfer by franchisee	6	You have no right to transfer the Multi-Unit Development Agreement.
m Conditions for franchisor's approval of transfer	6	You have no right to transfer the Multi-Unit Development Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote its franchise. No public figure is currently involved in our management.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting joseph@burritoblvd.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021, 2022, 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	1	+1
	2023	1	2	+1
Company Owned	2021	3	3	0
	2022	3	3	0
	2023	3	3	0
Total Outlets	2021	3	3	0

	2022	3	4	+1
	2023	4	5	+2

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021, 2022 to 2023

State	Year	Number of Transfers
None	2021	0
	2022	0
	2023	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2021, 2022, 2023

Col 1 State	Col 2 Year	Col 3 Outlets at start of year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations for Other Reasons	Col 9 Outlets at end of year
New York	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2021, 2022, 2023

Column 1 State	**Column 2** Year	**Column 3** Outlet at Start of Year	**Column 4** Outlets Open	**Column 5** Outlets Open	**Column 6** Outlets Closed	**Column 7** Outlets Sold to Franchisees	**Column 8** Outlets at the End of Year
New York	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
TOTAL		**3**	0	0	0	0	3

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31,2023

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Maryland	0	2	0
New York	0	4	0
Virginia	0	2	0
TOTAL	0	8	0

Notes to Tables:

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

Exhibit G to this Disclosure Document contains a list of our then-current franchisees as of the end of the Issuance Date of this Disclosure Document.

Exhibit H to this Disclosure Document contains a list of franchisees that had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Burrito Blvd Franchise Group, LLC, was formed on July 6, 2022. Because we have not been in business for three (3) years, we are unable to provide the three (3) prior years of audited financial statements normally required under Item 21. Our fiscal year-end date is December 31st. Our audited balance sheet dated December 31, 2023, is included in Exhibit D.

ITEM 22
CONTRACTS

The Burrito Blvd Franchise Agreement (with exhibits) is attached as Exhibit E. The Multi-Unit Development Agreement is attached as Exhibit F.

ITEM 23
RECEIPTS

Two copies of a receipt in are located Exhibit K of this Disclosure Document. Please sign one copy of the receipt and return it to us at Burrito Blvd Franchise Group, LLC, 98 Mineola Blvd Mineola, NY 11501 or joseph@burritoblvd.com.

[THE DISCLOSURE DOCUMENT ENDS HERE]

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT A
STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 West 4th Street Suite 750
Los Angeles, CA 90013

Commissioner of Business Oversight
2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, FL 32399

Hawaii
Commissioner of Securities
Dept, of Commerce & Consumer Affairs
& Business Registration Division
335 Merchant St., Room 203
Honolulu, HI 96813

Illinois
Office of the Attorney General Franchise Bureau
500 South Second Street
Springfield, IL 62706

Indiana
Indiana Secretary of State Indiana
Securities Division Franchise Section
302 W. Washington Street Room E-I 11 Indianapolis, IN 46204

Kentucky
Office of the Attorney General Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive Frankfort, KY 40601

Maine
Department of Professional and Financial Regulations
Bureau of Banking Securities Division
121 Statehouse Station
Augusta, ME 04333

Maryland
Office of the Attorney General Securities Division
200 St. Paul Place Baltimore, MD 21202

Michigan
Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit 670 Law Building
PO Box 30213
Lansing, MI 48909

Minnesota
Minnesota Department of Commerce
Securities Division
85 7th Place East, Ste 280
St. Paul, MN 55101

Nebraska
Nebraska Department of Banking and Finance Commerce Court
1230 O Street, Suite 400, Lincoln, NE 68509

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005
212-416-8222

North Carolina Secretary of State Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603

North Dakota
Office of Securities Commissioner
600 East Boulevard, 5th Floor Department 414
Bismarck, ND 58505

Rhode Island
Department of Business Registration Division of Securities
233 Richmond Street Ste 232
Providence, RI02903

South Carolina
Office of the Secretary of State
1205 Pendleton Street

Edgar Brown Building, Suite 525 Columbia, SC 29201

South Dakota Franchise Office
Division of Securities
910 E. Sioux Avenue Pierre, SD 57501

Texas
Office of the Secretary of State
Statutory Document Section 1019 Brazos Street
Austin, TX 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South PO Box 146704
Salt Lake City, UT 84114

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507

Wisconsin
Franchise Office
Wisconsin Securities Commission
PO Box 1768
Madison, WI 53701

FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Burrito Blvd Franchise Group.
98 Mineola Blvd
Mineola, NY 11501
Attn: Joseph Vetrano

California
Commissioner of Business Oversight
Department of Financial Protection and Innovation
320 West 4th Street Suite 750
Los Angeles, CA 90013

Commissioner of Business Oversight
2101 Arena Boulevard
Sacramento, CA 95834

Connecticut
Banking Commissioner Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103

Hawaii
Commissioner of Securities
Dept, of Commerce & Consumer Affairs
Business Registration Division
335 Merchant St., Room 203
Honolulu, HI 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan
Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota
Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New York
Secretary of the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol Fifth Floor, Dept 414
Bismarck, ND 58505
Phone 701-328-4712

Rhode Island
Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI02903

South Dakota
Director, Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
Pierre, SD 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington
Securities Administrator
Washington Department of Financial Institutions
150 Israel Road SW Tumwater, WA 98501

Wisconsin
Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703

EXHIBIT C TO THE FRANCHISE
DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL

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FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
FINANCIAL STATEMENTS

REESE
CPA LLC

Burrito Blvd Franchise Group, LLC
Mineola, New York

Ladies and Gentlemen,

Reese CPA LLC consents to the use in the Franchise Disclosure Document issued by Burrito Blvd Franchise Group, LLC ("Franchisor") on March 19, 2024, as it may be amended, of our report dated , February 17, 2024, relating to the financial statements of Franchisor for the period ending December 31, 2023.

Sincerely,

Reese CPA LLC

REESE CPA LLC
Ft. Collins, Colorado

2580 East Harmony Road, Ste. 301-10 • Ft. Collins, CO 80528
Office: (303) 999-6485

February 17, 2024

Governing Members
Burrito Blvd Franchise Group, LLC
98 Mineola Blvd
Mineola, NY 11501

Dear Governing Members:

We have audited the financial statements of Burrito Blvd Franchise Group, LLC for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022, and have issued our report thereon dated February 17, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 28, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Burrito Blvd Franchise Group, LLC solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and other matters noted during our audit in a separate letter to you dated February 17, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

2580 East Harmony Road Ste 301-10 • Ft. Collins, CO 80528
Office: (303) 999-6485

REESE
CPA LLC

February 17, 2024

Governing Members
Burrito Blvd Franchise Group, LLC
98 Mineola Blvd
Mineola, NY 11501

Dear Governing Members:

In planning and performing our audit of the financial statements of Burrito Blvd Franchise Group, LLC as of and for the year ended December 31, 2023 and the period from July 6, 2022 (Inception) through December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Burrito Blvd Franchise Group, LLC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Burrito Blvd Franchise Group, LLC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, and the members of Burrito Blvd Franchise Group, LLC, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely yours,

Reese CPA LLC

Reese CPA LLC

2580 East Harmony Road Ste 301-10 • Ft. Collins, CO 80528
Office: (303) 999-6485

REESE CPA

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Burrito Blvd Franchise Group, LLC are described in Note 1 to the financial statements. The application of existing policies was not changed during 2023 and 2022. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

> Management's estimate of non-refundable deferred franchise sales and the related franchise acquisition costs is based on management's interpretation of franchise agreements with the Company's franchisees under the guidance of ASC 606, "Contracts with Customers. We evaluated the key factors and assumptions used to develop the estimates of the non-refundable deferred franchise sales and the related franchise acquisition costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Burrito Blvd Franchise Group, LLC's financial statements relate to the disclosures related to revenue recognition. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. The management was responsive and helpful during the entire process.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All adjustments were requested by or provided by and recorded by management. A copy of those adjustments was sent to you with the draft audit report on February 17, 2024.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 17, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing members of Burrito Blvd Franchise Group, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Reese CPA LLC

Reese CPA LLC

BURRITO BLVD FRANCHISE GROUP, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2023

BURRITO BLVD FRANCHISE GROUP, LLC

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Independent Auditor's Report

To the Members
Burrito Blvd Franchise Group, LLC
Mineola, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of Burrito Blvd Franchise Group, LLC as of December 31, 2023, and 2022, and the related statements of operations, members' equity, and cash flows for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Burrito Blvd Franchise Group, LLC as of December 31, 2023, and 2022, and the results of their operations and their cash flows for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Reese CPA LLC

Ft. Collins, Colorado
February 17, 2024

BURRITO BLVD FRANCHISE GROUP, LLC
BALANCE SHEETS

	AS OF DECEMBER 31, 2023	AS OF DECEMBER 31, 2022
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	$ 3,147	$ 3,219
TOTAL CURRENT ASSETS	3,147	3,219
NON-CURRENT ASSETS		
TOTAL ASSETS	$ 3,147	$ 3,219
LIABILITIES AND MEMBERS' (DEFICIT):		
CURRENT LIABILITIES		
Non-refundable deferred franchise sales, current portion	$ 1,000	$ 21,000
TOTAL CURRENT LIABILITIES	1,000	21,000
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise sales	7,917	8,917
TOTAL LIABILITIES	8,917	29,917
MEMBERS' DEFICIT	(5,770)	(26,698)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 3,147	$ 3,219

The accompanying notes are an integral part of these financial statements.

BURRITO BLVD FRANCHISE GROUP, LLC
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE
PERIOD FROM JULY 6, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	2023	2022
REVENUES		
Franchise sales	$ 21,000	$ 83
Royalty fees	28,431	-
TOTAL REVENUES	49,431	83
OPERATING EXPENSES		
General and administrative	18,927	1,707
Advertising	8,770	-
Payroll and related costs	8,330	-
Professional fees	2,476	5,175
TOTAL OPERATING EXPENSES	38,503	6,882
OPERATING INCOME	10,928	(6,799)
OTHER INCOME (EXPENSE)	-	-
NET INCOME	$ 10,928	$ (6,799)

The accompanying notes are an integral part of these financial statements.

BURRITO BLVD FRANCHISE GROUP, LLC
STATEMENTS OF CHANGES IN MEMBERS' (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE
PERIOD FROM JULY 6, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	Member Contributions	Accumulated (Deficit)	Total Members' (Deficit)
BALANCE, JULY 6, 2022 (INCEPTION)	**$ -**	**$ -**	**$ -**
Member contributions	5,001	-	5,001
Member distributions		(24,900)	(24,900)
Net (loss)	-	(6,799)	(6,799)
BALANCE, DECEMBER 31, 2022	5,001	(31,699)	(26,698)
Member contributions	12,000	-	12,000
Member distributions		(2,000)	(2,000)
Net income	-	10,928	10,928
BALANCE, DECEMBER 31, 2023	$ 17,001	$ (22,771)	$ (5,770)

The accompanying notes are an integral part of these financial statements.

BURRITO BLVD FRANCHISE GROUP, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE
PERIOD FROM JULY 6, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 10,928	$ (6,799)
Adjustments to reconcile net income to net cash provided by operating activities:		
Recognition of non-refundable deferred franchise sales	(21,000)	(83)
Changes in assets and liabilities:		
Non-refundable deferred franchise sales	-	30,000
Net cash provided by operating activities	(10,072)	23,118
CASH FLOWS FROM FINANCING ACTIVITIES		
Member contributions	12,000	5,001
Member distributions	(2,000)	(24,900)
Net cash provided by financing activities	10,000	(19,899)
NET INCREASE IN CASH	(72)	3,219
CASH, BEGINNING	3,219	-
CASH, ENDING	$ 3,147	$ 3,219

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Burrito Blvd Franchise Group, LLC ("Company") was formed on July 6, 2022, (Inception) in the State of New York as a limited liability company. The Company grants franchises for the right to operate a fast casual restaurant, which serves burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas, and other menu items.

Affiliates

The Company's first affiliate is Taco Blvd Corp., a New York limited liability company that was formed on November 10, 2014. and operates a Burrito Blvd Restaurant. This affiliate has not in the past and does not now offer franchises in any lines of business.

The Company's second affiliate is RTA Foods Inc. Middle Village., a New York corporation that was formed on April 15, 2019. This affiliate operates a Burrito Blvd Restaurant. This affiliate has not in the past and does not now offer franchises in any lines of business.

The Company's third affiliate is Burrito Blvd Astoria, Corp., a New York corporation that was formed on March 1, 2021. This affiliate operates a Burrito Blvd Restaurant. This affiliate has not in the past and does not now offer franchises in any lines of business.

Location Information

The following table summarizes the number of locations open and operating for the period from July 6, 2022 (Inception) through December 31, 2022:

	2023	2022
Locations in operation, beginning	3	3
Locations opened	1	-
Locations terminated or closed	-	-
Locations in operation, ending	4	3
Franchised locations	1	-
Affiliate owned locations	3	3

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2023, and 2022

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any accounts receivable or allowance for doubtful accounts as of December 31, 2023, and 2022 and did not charge-off any accounts receivable during the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment as of December 31, 2023, and 2022.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. The Company had no intangible assets as of December 31, 2022.

Income Taxes

The member of the Company has elected to be taxed as a Partnership under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax return of its members and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company recognizes revenue under the guidance of ASC 606 – "Contracts with Customers". The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The Company is using the practical expedient under the guidance of ASU 2021-02 and is treating all pre-opening activities as distinct from the franchise license as defined in the next paragraph. The Company has determined that 67% of its initial franchise fee is allocable to the pre-opening obligations in the franchise contract. The remainder of performance obligations not related to the grant of the license represent a single performance obligation. and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years.

When a franchisee purchases a Burrito Blvd franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties and are 6% of gross revenue per week. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed weekly and are recognized as revenue when earned. The Company has no revenue from royalties during the period from July 6, 2022 (Inception) through December 31, 2022.

Brand Development Fund Contribution

The Company has the right to collect a brand development fund fee of up to 2% of gross revenues of each franchise location. The Company had no contributions to the fund for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022, was $8,770, $0.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity for the years ended December 31, are as follows:

	December 31, 2023	December 31, 2022
Non-refundable Deferred Franchise Fees:		
Balance beginning of year	$ 29,917	$ -
Deferral of non-refundable franchise fees	-	30,000
Recognition of non-refundable franchise fees	(21,000)	(83)
Balance at end of year	$ 8,917	$ 29,917

Estimated Recognition of Deferred Franchise Fees

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2023, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2024	$ 1,000
2025	1,000
2026	1,000
2027	1,000
2028	1,000
Thereafter	3,917
	$ 8,917

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the year ended December 31, 2023, and the period from July 6, 2022 (Inception) through December 31, 2022, is as follows:

	2023	2022
Performance obligations satisfied at a point in time	$ 28,431	$ -
Performance obligations satisfied through the passage of time	21,000	83
Total revenues	$ 49,431	$ 83

NOTE 3 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 4 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through February 17, 2024, the date on which the financial statements were available to be issued.

EXHIBIT E TO THE FRANCHISE
DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

BURRITO BLVD FRANCHISE GROUP, LLC

FRANCHISE AGREEMENT

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<u>FRANCHISE AGREEMENT</u>

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this ___________ (the "**Effective Date**"), by and between BURRITO BLVD FRANCHISE GROUP, LLC, a New York limited liability company whose principal place of business is 98 Mineola Blvd Mineola, NY 11501 ("**Franchisor**"); and Selintis Corp, a New York corporation, having offices at 48 Fairlane Drive Selden, NY 11784 ("**Franchisee**").

<u>BACKGROUND</u>:

A. Franchisor owns a format and system (the "System") relating to the establishment and operation of restaurants that display Franchisor's interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below). Burrito Blvd Mexican Grill restaurants are fast casual restaurants, which serve burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas and other menu items. A Burrito Blvd Restaurant operates using Franchisor's proprietary recipes, formulae and techniques ("Proprietary Products"), as well as other non-proprietary food, beverage, and other compatible items designated by Franchisor from time to time (collectively, "Products").

B. The distinguishing characteristics of the System include distinctive exterior and interior design, decor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System including the mark "Burrito Blvd" and other marks (the "Proprietary Marks"). The Proprietary Marks are owned by Burrito Blvd Franchise Group LLC, a New York limited liability company located at 98 Mineola Blvd, Mineola, New York 11501. Burrito Blvd Franchise Group LLC sub-licenses the Proprietary Marks to its Franchisees for operation of a Burrito Blvd Mexican Grill restaurant.

D. Franchisee desires to enter into the business of operating a restaurant as a Burrito Blvd Mexican Grill ("Restaurant" or Franchised Business") under the System and using the Proprietary Marks, and wishes to enter into this agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith.

E. Franchisee understands and acknowledges the importance of the high standards of Franchisor for quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with the standards and specifications of Franchisor.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant and Acceptance. Franchisor grants to Franchisee the right, and Franchisee hereby undertakes the obligation, upon the terms and conditions set forth in this Agreement to: (a) establish and operate a Burrito Blvd Mexican Grill restaurant, (b) use, only in connection therewith, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) operate the Franchised Business only at the Accepted Location (as defined in Section 1.2 below) in accordance with this Agreement.

1.2 Accepted Location. Franchisee shall develop and operate the Restaurant only at the site specified in Exhibit A to this Agreement as the “Accepted Location”. Franchisee shall not relocate the Restaurant without Franchisor’s prior written consent and/or otherwise in writing by Franchisor, as provided in Section 8.19 below.

1.3 Limit on Sales. Franchisee’s rights hereunder shall be limited to offering and selling Products at the Restaurant, and only to retail customers of the Restaurant for (a) customer consumption on the premises of the Restaurant at the Accepted Location (the “Premises”); (b) for customer carry-out consumption of Products sold at the Restaurant; (c) catering; provided that all such activities shall be conducted only in accordance with the requirements of this Agreement and the procedures set forth in the Manual (as defined in Section 10 below) and all applicable laws. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of Products, including, but not limited to: selling, distributing or otherwise providing, any Products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any Products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet). Franchisee shall not place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located outside of the Territory.

1.4 Territory and Reserved Rights. Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish or operate, a Restaurant at any location within the territory specified in Exhibit A (the “Territory”). Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.4.1 To own, acquire, establish, and/or operate and license others to establish and operate, Burrito Blvd Restaurants under the System at any location outside the Territory, notwithstanding their proximity to the Territory or the Accepted Location or their actual or threatened impact on sales of the Franchisee's Restaurant;

1.4.2 To own, acquire, establish and/or operate and license others to establish and operate, non-restaurant businesses under the Proprietary Marks, at any location within or outside the Territory.

1.4.3 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under marks other than the Proprietary Marks, whether such businesses are similar or different from the Restaurant, at any location within or outside the Territory notwithstanding their proximity to the Territory or the Accepted Location or their actual or threatened impact on sales of the Franchisee's Restaurant;

1.4.4 To own, acquire, establish, and/or operate and license others to establish and operate Burrito Blvd Restaurants under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Territory. As used in this Agreement, "Non-Traditional Sites" shall mean outlets that serve primarily the customers located within captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums and theaters), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, indoor shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational clubs), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts.

1.4.5 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Products) through grocery or convenience stores or through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing Franchisor's Proprietary Marks provided that distribution within the Territory shall not be from a Burrito Blvd Restaurant established under the System that is operated from within the Territory (except from a Burrito Blvd Restaurant at a Non-Traditional Site).

2. TERM AND RENEWAL

2.1 Initial Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, this Agreement shall expire ten (10) years from the Effective Date.

2.2 Renewal. Franchisee may apply to operate the Restaurant for one additional 10 year term if the following conditions are met prior to each renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew at least six (6) months, but not more than twelve (12) months, prior to the end of the term of this Agreement;

2.2.2 Franchisee shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its affiliates, the approved suppliers of the System, or the lessor of the Premises;

2.2.3 Franchisee shall not be in default of any provision of this Agreement, or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates, the approved suppliers of the System, or the lessor of the Premises; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees (provided, however, that all rights enjoyed by the Franchisee and any causes of action arising in his/her favor from the provision of Article 33 of the New York General Business Law ("GBL") and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied);

2.2.5 Franchisee shall execute the then-current form of franchise agreement offered by Franchisor, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including requirements to pay additional and/or higher fees, except that Franchisee shall not be required to pay any initial franchise fee;

2.2.6 Franchisee shall comply with the then-current qualification and training requirements of Franchisor;

2.2.7 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Premises as Franchisor may reasonably require, including installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

2.2.8 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises (or such other location acceptable to Franchisor) for the duration of the renewal term;

2.2.9 Franchisee, at the time of renewal, satisfies Franchisor's standards of financial responsibility and, if requested by Franchisor, Franchisee demonstrates to Franchisor that Franchisee has sufficient financial resources and means to continue to operate the Restaurant during the renewal term.

3. DUTIES OF FRANCHISOR

3.1 Franchisor's Prototype Plans. Franchisor shall make available, at no charge to Franchisee, prototype design plans and specifications for the construction of a Burrito Blvd Restaurant and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Burrito Blvd Restaurant, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee understands and acknowledges that Franchisor has the right to modify the prototype design plans and specifications, and develop additional prototype design plans and specifications, as Franchisor deems appropriate from time to time (however Franchisor will not modify the prototype plans and specifications for the Restaurant developed pursuant to this Agreement once those prototype architectural plans and specifications have been given to Franchisee). Franchisee shall adapt the standard plans to the Restaurant's location, as provided in Section 5.3 hereof, subject to Franchisor's approval.

3.2 Initial Training. Franchisor shall provide its initial training for operators and managers ("Initial Training"), as described in Section 6 of this Agreement, for two (2) trainees. Franchisor shall also provide such ongoing training as it may, from time to time, deem appropriate.

3.3 Opening Training. Franchisor will furnish to Franchisee, at Franchisee's premises and at Franchisor's expense, one (1) or more of Franchisor's representatives for the purpose of facilitating the opening of the Restaurant. During this training, which may be in person or virtual audiovisual training, such representative will also assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of a Burrito Blvd Restaurant and shall assist in training personnel; however, Franchisee acknowledges that Franchisor shall not be responsible for training or offering guidance with respect to compliance with any laws, ordinances or other legal matters. Prior to the arrival of Franchisor's representative(s), Franchisee shall have completed all training of Franchisee's initial staff of employees for the Restaurant, as shall be necessary for Franchisee to comply with its staffing obligations under Section 8.4 below. Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Restaurant, and should Franchisor deem it necessary and appropriate to comply with the request, Franchisee shall pay Franchisor's per diem charges and Franchisor's out of pocket expenses in providing such additional assistance as set forth from time to time in the Manual.

3.4 Loan of Manual. Franchisor shall provide Franchisee, on loan, copies of the Franchisor's confidential operations Manual and other manuals, instructional materials, and written policies and correspondence (collectively, the “Manual”), as more fully described in Section 10 hereof.

3.5 Advertising Programs and Materials. Franchisor shall review and shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, pursuant to Section 13 below. Franchisor shall administer the System or Cooperative Marketing Funds, if such funds exist or are created, in the manner set forth in Section 13 below.

3.6 Grand Opening Advertising. Franchisor shall assist Franchisee in developing and conducting the Grand Opening Advertising Program (as described in Section 13.6 below), which program shall be conducted at Franchisee’s expense.

3.7 Guidance. Franchisor may provide periodic advice or offer guidance to Franchisee in the marketing, management, and operation of the Restaurant as Franchisor determines at the time(s) and in the manner determined by Franchisor.

3.8 Inspections. Franchisor shall conduct, as it deems advisable, inspections of the operation of the Restaurant by Franchisee.

3.9 List of Suppliers. Franchisor shall, in the Manual (or otherwise in writing as determined by Franchisor), provide Franchisee with a list of suppliers designated and/or approved by Franchisor to supply Products, equipment, signage, materials and services to franchisees in the System.

3.10 Delegation. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any distributor, designee, employee, or agent of Franchisor, as Franchisor may direct.

3.11 Fulfillment of Obligations. In fulfilling its obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, Franchisor (and its affiliates) shall have the right: (i) to take into account, as it sees fit, the effect on, and the interests of, other franchised businesses and systems and in which Franchisor has an interest and on Franchisor’s (and its affiliates’) own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which Franchisor (or its affiliates) has an interest, or with Franchisor’s affiliates; (iii) to introduce proprietary and non-proprietary items or operational equipment used by the System into other franchised systems in which Franchisor has an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or Franchisor’s affiliates, as Franchisor sees fit. Franchisee understands and agrees that all of Franchisor’s obligations under this Agreement are subject to this Section 3.11, and that nothing in this Section 3.11 shall in any way affect Franchisee’s obligations under this Agreement.

4. FEES

4.1 Initial Franchise Fee. The initial franchise fee is $30,000, which must be paid to us when you sign the Franchise Agreement. The initial franchise fee is imposed uniformly on all franchisees and it is not refundable. The initial franchise fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees, and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

4.2 Royalty Fees. For each Week during the term of this Agreement, Franchisee shall: (a) pay Franchisor a continuing royalty fee in an amount equal to six percent (6%) of the Gross Sales of the Restaurant ("Royalty Fees"); and (b) report to Franchisor, in the manner specified by Franchisor, its Gross Sales (a "Sales Report"). As used in this Agreement, the following terms shall apply:

4.2.1 The term "Week" means the period starting with the commencement of business on Monday and concluding at the close of business on the following Sunday (or, if the Restaurant is not open on a Sunday, the immediately preceding business day); however, Franchisor shall have the right to designate in writing any other period of not less than seven days to constitute a "Week" under this Agreement.

4.2.2 The term "Gross Sales" means all revenue from the sale of all Products and all other income of every kind and nature related to, derived from, or originating from the Restaurant, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Gross Sales" excludes any customer refunds, coupon sales, sales taxes, or other taxes collected from customers by Franchisee and actually transmitted to the appropriate taxing authorities.

4.2.3 If a state or local law in which the Restaurant is located prohibits or restricts in any way Franchisee's ability to pay and Franchisor's ability to collect Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant then Franchisor and Franchisee shall increase the percentage rate for calculating Royalty Fees, and change the definition of Gross Sales to exclude sales of alcoholic beverages, in a manner such that the Royalty Fees to be paid by Franchisee, and received by Franchisor, shall be equal to such amounts as Franchisee would have been required to pay, and Franchisor would have received, if sales from alcoholic beverages were included from Gross Sales.

4.3 Advertising Contributions. Franchisee shall make weekly advertising contributions for marketing and promotion as Franchisor may direct pursuant to Section 13 of this Agreement based on the Gross Sales of the Restaurant.

4.4 When Payments Due. All payments required by Sections 4.3 and 4.4 above based on the Gross Sales for the preceding Week, and the Sales Report required by Section 4.3 for the Gross Sales for the preceding Week, shall be paid and submitted so as to be received by Franchisor by the third (3rd) business day after the close of each Week. Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under Section 12.2 below, at the time and in the format reasonably requested by Franchisor. Franchisee shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. Franchisee shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit D, and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manual. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Royalty Fees and Advertising Contributions (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation and receipt of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor, the Brand Development Fund, the Cooperative Marketing Fund or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including without limitation Royalty Fees or advertising contributions, nor withhold or delay submission of any reports due hereunder including but not limited to Sales Reports.

4.5 Designated Accountants and Fees. If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such reasonable amount as the service provider or Franchisor may periodically designate.

4.6 Additional Payments. Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor which is accompanied by reasonable substantiating material, any money which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

4.7 Overdue Payments and Reports. Any payment, contribution, statement, or report not actually received by Franchisor on or before such date shall be overdue. If any contribution or payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount: (i) a late payment fee in an amount equal one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

4.8 No Subordination. Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalties and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

5. SITE SELECTION, CONSTRUCTION AND OPENING OF BUSINESS

5.1 Identifying and Securing Sites. Franchisee shall, within sixty (60) days from the date this Agreement is executed, be solely responsible for identifying, submitting for Franchisor's acceptance, and securing a site for its Restaurant. The following terms and conditions shall apply to Franchisee's Restaurant:

5.1.1 Franchisee shall submit to Franchisor, in a form specified by Franchisor, a completed site acceptance package, which shall include a site acceptance form prescribed by Franchisor, an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Franchisee's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as Franchisor may reasonably require (collectively, the "SAP"). Franchisor shall have thirty (30) days after receipt of the SAP from Franchisee to accept or not accept, in its sole discretion, the proposed site for the Restaurant. In the event Franchisor does not accept a proposed site by written notice to Franchisee within said thirty (30) days, such site shall be deemed not accepted by Franchisor. No site shall be deemed accepted unless it has been expressly accepted in writing by Franchisor.

5.1.2 Following Franchisor's acceptance of a proposed site, Franchisee shall use its best efforts to secure such site, either through a lease/sublease that is acceptable to Franchisor, as provided in Section 5.2 below, or a binding purchase agreement, and shall do so within sixty (60) business days of acceptance of the site by Franchisor. Franchisee shall immediately notify Franchisor of the execution of the approved lease or binding purchase agreement. The site accepted and secured pursuant to this Agreement shall be specified as the Accepted Location.

5.1.3 Franchisee hereby acknowledges and agrees that acceptance by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Restaurant or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to acceptance by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site accepted by Franchisor to meet Franchisee's expectations as to revenue or operational criteria.

5.2 Lease Terms. For each Restaurant to be developed hereunder, if Franchisee will occupy the premises from which the Restaurant will be operated under a lease or sublease, Franchisee shall, prior to execution of such lease, submit the lease to Franchisor for its acceptance; provided, however, if pre-submission to Franchisor is not possible, then Franchisee may sign the lease only on the condition, agreed to in writing by the lessor, that the lease shall become null and void if Franchisor does not accept such lease. Franchisor's acceptance of the lease or sublease may be conditioned upon the inclusion of such provisions as Franchisor may reasonably require, including, without limitation, the terms and conditions set forth by Franchisor in the Manual or otherwise in writing from time to time, a current list of which is included in Exhibit G to this Agreement.

5.3 Preparing a Location. Before commencing any construction of the Restaurant, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

5.3.1 Franchisee shall employ a qualified, licensed architect or engineer who has been approved or designated (as described below) by Franchisor to prepare, subject to Franchisor's approval, preliminary plans and specifications for site improvement and/or construction of the Restaurant based upon prototype plans and/or specifications furnished by Franchisor, as described in Section 3.1 above. Franchisor shall have the right to designate one or more suppliers of design services and/or architecture services to supply such services to the System. If Franchisor designates a design firm and/or architecture firm prior to the time Franchisee commences to develop the Restaurant, Franchisee shall employ such designated supplier(s) to prepare all designs and plans for the Restaurant, unless Franchisee obtains Franchisor's prior written approval to use an alternative professional. If Franchisor has not designated a design firm or architecture firm, Franchisee shall be responsible for locating and employing a qualified design consultant and architect who is/are licensed in the jurisdiction in which the Restaurant will be located, and who is reputable and experienced in providing design and architecture services. Franchisee shall be solely responsible for payments for all design and architecture services. Franchisee acknowledges and agrees that Franchisor shall not be liable for the unsatisfactory performance of any contractor retained by Franchisee.

5.3.2 Franchisee shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant. In the event Franchisee receives any complaint, claim, other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

5.3.3 Franchisee shall be responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary or advisable owing to any restrictive covenants relating to the Accepted Location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's acceptance, final plans for construction based upon the preliminary plans and specifications. Franchisor's review and acceptance of plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for Burrito Blvd Restaurants, including such items as trade dress, presentation of Proprietary Marks, and the providing to the potential customer of certain products and services that are central to the functioning of Burrito Blvd Restaurants. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Franchisee. Once accepted by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a default and Franchisor may withhold its authorization to open the Restaurant until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction. Prior to opening the Restaurant and prior to renovating the Restaurant after its initial opening, Franchisee shall execute an ADA Certification in the form attached to this Agreement as Exhibit B that certifies in writing to Franchisor that the Restaurant and any proposed renovations comply with the ADA.

5.3.4 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Restaurant and shall certify in writing to Franchisor that all such permits and certifications have been obtained.

5.3.5 Franchisee shall employ a qualified licensed general contractor who is acceptable to Franchisor to construct the Restaurant and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 14 below.

5.3.6 Throughout the construction process, Franchisee shall comply with Franchisor's requirements and procedures for periodic inspections of the Premises, and shall fully cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request.

5.4 Opening Date. Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 5.5 below, Franchisee shall construct, furnish, and open the Restaurant in accordance with this Agreement and shall open the Restaurant the earlier of six (6) months following the execution of this Agreement or three (3) months after the Accepted Location is identified. Time is of the essence. Franchisee shall provide Franchisor with written notice of its specific intended opening date and Franchisee's request for Franchisor's approval to open on such date, by no later than thirty (30) days prior to such intended opening date. Additionally, Franchisee shall comply with all other of Franchisor's pre-opening requirements, conditions and procedures (including, without limitation, those regarding pre-opening scheduling and communications) as set forth in this Agreement, the Manual, and/or elsewhere in writing by Franchisor, and shall obtain Franchisor's written approval prior to opening the Restaurant.

5.5 Force Majeure. As used in this Agreement, "force majeure" means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Franchisee; provided, however, force majeure shall not include Franchisee's lack of adequate financing.

6. TRAINING

6.1 Initial Training and Attendees. Before opening the Restaurant, Franchisee shall have satisfied all initial training obligations required by Franchisor, which are as follows:

6.1.1 Franchisee (or, if Franchisee is other than an individual, the Designated Principal (defined in Section 8.3 below) If this is your first Restaurant we will provide initial training for you, or if you are a corporate entity, your managing owner, plus one General Manager. You or your managing owner and your general manager must successfully attend and complete the initial training program to our satisfaction no later than 45 days before the opening of your Restaurant. The initial training program takes place over an approximate 2-week period. If more than two individuals attend initial training you will be charged an additional fee per additional persons attending initial training. Although we provide you and your General Manager with initial training at no additional fee or charge, you will be responsible for paying for all travel expenses and employee wages that you incur in your initial training attendance and participation.

6.1.2 If Franchisee is other than an individual, Franchisor may require (in addition to the training of the Designated Principal and General Manager) that any or all owners of beneficial interests in Franchisee (each a "Principal"), who are individuals and own at least a twenty-five percent (25%) beneficial interests in Franchisee, attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Principals not involved in the day-to-day operations of the Restaurant.

6.1.3 Franchisee must satisfy all pre-opening training requirements under this Section 6.1 by no later than forty-five (45) days prior to the schedule opening of the Restaurant.

6.2 New or Replacement Designated Principal and Managers. In the event that Franchisee's Designated Principal or (if required) General Manager ceases active employment in the Restaurant, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual, provided that Franchisee may train replacement General Managers in accordance with Section 6.3 below. The replacement Designated Principal and any required managers shall complete the initial training program as soon as is practicable and in no event later than any time periods as Franchisor may specify from time to time in the Manual and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

6.3 Training by Franchisee of Additional or Replacement General Managers. Franchisee shall have the option of training any General Manager (following the training of the first General Manager by Franchisor) at the Restaurant or other Burrito Blvd restaurants, provided that the training is conducted: (a) by the Designated Principal or other personnel who has completed Franchisor's initial training program, to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training); (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training; and (c) Franchisee is in compliance with all agreements between Franchisee and Franchisor. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for such training.

6.4 Refresher Training. Franchisor may also require that Franchisee or its Designated Principal and General Manager attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time, provided that such training shall not exceed four (4) days per person each year, and attendance for up to three (3) days per person each year at conventions, if any, conducted for Franchisor's franchisees.

6.5 Training Costs. The cost of all training (instruction and required materials) shall be borne by Franchisor, except as provided in Section 6.7 below. All other expenses incurred in connection with training, including without limitation the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

6.6 Location of Training. All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters, or such other locations as Franchisor may designate, or virtually by an audiovisual method designated by Franchisor.

6.7 Additional On-site Training. If Franchisee requests that Franchisor provide additional on-site training or that any other training programs offered or required by Franchisor be conducted for Franchisee at the Restaurant, and Franchisor do so, then Franchisee agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the Manual or otherwise in writing.

7. TECHNOLOGY

7.1 Computer Systems and Required Software. The following terms and conditions shall apply with respect to the Computer System and Required Software:

7.1.1 Currently you are required to purchase, license and utilize the Shopkeep point of sale system with at least two (2) configured hardware terminals. Additionally, you must purchase and maintain a computer system on-site at your Restaurant Location. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as electronic tablets and printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.

7.1.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("Required Software"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

7.1.3 Franchisee shall record all sales on computer-based point of sale systems approved by Franchisor or on such other types of cash registers as may be designated by Franchisor in the Manual or otherwise in writing ("Cash Register Systems"), which shall be deemed part of the Franchisee's Computer System.

7.1.4 Franchisee shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "Computer Upgrades").

7.1.5 Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor.

7.2 Data. Franchisor may, from time-to-time, specify in the Manual or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Restaurant, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Restaurant, and all data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Restaurant's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's

Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

7.3 Privacy. Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

7.4 Telecommunications. Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Extranet (as defined below), if any, and/or such other computer systems as Franchisor may reasonably require.

7.5 Extranet. Franchisor may establish a website providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "Extranet"). Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Restaurant. The Extranet may include, without limitation, the Manual, training other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Extranet.

7.6 Websites. As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

7.6.1 Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Products, Burrito Blvd Restaurants, the franchising of Burrito Blvd Restaurants, and the System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the website.

7.6.2 Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Restaurant, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web pages; and Franchisor shall have the right to refuse to post or discontinue posting any content and/or the operation of any web page.

7.6.3 Franchisee shall not establish a separate Website, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such Website. Franchisee specifically acknowledges and agrees that any Website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under Section 13 below.

7.6.4 Franchisor shall have the right to modify the provisions of this Section 7 relating to Websites as Franchisor shall solely determine is necessary or appropriate.

7.7 Online Use of Marks; Social Media. Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent as to Franchisee's plan for transmitting such advertisements. Franchisee understands and acknowledges that it is strictly prohibited from promoting the Restaurant and/or using the Proprietary Marks in any manner on social and/or networking websites, including, but not limited to, Facebook, SnapChat, LinkedIn, Instagram or Twitter, without Franchisor's prior written consent. If Franchisor permits Franchisee to use social media to promote the Restaurant, Franchisee shall comply with all of Franchisor's policies and restrictions regarding social media.

7.8 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval therefor. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

7.9 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 7 were periodically revised by Franchisor for that purpose.

8. OTHER DUTIES OF FRANCHISEE

8.1 Details of Operation. Franchisee understands and acknowledges that every detail of the System and this Agreement is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating, quality and service standards, to increase the demand for the Products sold by all operators, to protect Burrito Blvd Restaurants operating under the System, and to protect the reputation and goodwill of Franchisor.

8.2 Compliance with the Agreement, including the Manual. Franchisee shall operate the Restaurant in strict conformity with this Agreement and such standards and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without the prior written consent of Franchisor.

8.3 Management of Business & Designated Principal. If Franchisee is other than an individual, prior to beginning training, Franchisee shall comply with the following:

8.3.1 Franchisee shall designate, subject to Franchisor's reasonable approval, one Principal who is both an individual person and owns at least a twenty-five percent (25%) beneficial interest in Franchisee, and who shall be responsible for general oversight and management of the operations of the Restaurant on behalf of Franchisee (the "Designated Principal"). In the event the person designated as the Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Restaurant, Franchisee shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

8.3.2 Franchisee shall inform Franchisor in writing whether Franchisee or, if Franchisee is other than an individual, the Designated Principal, will assume full-time responsibility for the daily supervision and operation of the Restaurant (the "General Manager").

8.3.3 Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon either or both the Designated Principal or General Manager to have been given by Franchisee the responsibility and decision-making authority regarding the Restaurant's operation and Franchisee's business.

8.4 Staffing. Franchisee agrees to maintain a competent, conscientious, staff (who are trained by Franchisee to Franchisor's standards and requirements) in numbers sufficient to promptly service customers and to take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with such uniforms and dress codes as Franchisor may prescribe; and meet such minimum standards as Franchisor may establish from time to time in the Manual. In no way limiting the foregoing, Franchisee shall have on duty at all times a minimum of three (3) managers or hourly employees trained in management activities, who have completed all training and certifications required by Franchisor. Franchisee shall be solely responsible for all employment decisions and functions of the Restaurant, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees.

8.5 Use of Premises. Franchisee shall use the Premises solely for the operation of the Restaurant; shall keep the Restaurant open and in normal operation for such minimum hours and days as Franchisor may specify; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

8.6 Conformity to Standards. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Without limitation, Franchisee agrees as follows:

8.6.1 Franchisee shall purchase and install prior to the opening of the Restaurant, and thereafter maintain, all fixtures, furnishings, equipment, decor, and signs, and maintain in sufficient supply supplies and materials, as Franchisor may prescribe in the Manual or otherwise in writing. Franchisee shall refrain from deviating therefrom by the use of any unapproved item without the prior written consent of Franchisor.

8.6.2 Franchisee shall offer and sell only Products that Franchisor specifies from time to time, unless otherwise approved in writing by Franchisor; and Franchisee shall offer and sell all Products as Franchisor may specify from time to time as required offerings at the Restaurant. Franchisee shall offer and sell the Products utilizing the ingredients and employing the preparation standards and techniques as specified by Franchisor. Franchisee is prohibited from offering or selling any products or services at or from the Restaurant that have not previously been authorized by Franchisor, and shall discontinue selling and offering for sale any Products which Franchisor shall have the right to disapprove, in writing, at any time. If Franchisee wishes to offer or sell any products or services that have not previously been authorized by Franchisor, Franchisee must first make a written request to Franchisor, requesting authorization to offer or sell such products or services in accordance with Section 8.7 below. Franchisor may deny such approval for any reason.

8.6.3 Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove samples of Products, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

8.6.4 Franchisee shall be required to offer Margaritas and other beverages containing alcohol ("Alcoholic Beverages"). Franchisee acknowledges and agrees that Alcoholic Beverages are required Products and shall offer and sell Alcoholic Beverages at the Restaurant, and Franchisee shall: (i) be solely responsible for complying with all with all laws and regulations relating to alcohol and alcohol service or preparation; (ii) shall comply with Franchisor's standards, specifications and terms of Franchisor regarding the offer, sale, and presentation of Alcoholic Beverages as approved Products, and shall obtain and maintain such additional insurance coverage as Franchisor may require pursuant to Section 14 of this Agreement. Franchisor reserves the right, in its sole discretion, to waive this requirement for Franchisee.

8.6.5 Franchisor may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to Franchisor or affiliate-owned and/or franchised Burrito Blvd Restaurants. Franchisee agrees that the Restaurant will participate in such mystery shopper program, as prescribed and required by Franchisor, provided that Franchisor-owned, affiliate-owned, and franchised Burrito Blvd Restaurants also will participate in such program to the extent Franchisor has the right to require such participation. Franchisor shall have the right to require Franchisee to pay the then-current charges imposed by such evaluation service with respect to inspections of the Restaurant, and Franchisee agrees that it shall promptly pay such charges; provided, however, that such charges shall not exceed One Thousand Dollars ($1,000) during each year of this Agreement.

8.6.6 Franchisee shall participate in all customer surveys and satisfaction audits, which may require that Franchisee provide discount or complimentary Products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Restaurant. Additionally, Franchisee shall participate in any complaint resolution and other programs as Franchisor may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

8.7 Purchases and Approved Suppliers. Franchisee shall purchase all equipment, fixtures, furnishings, signs, décor, supplies, services, and products (including the Products) required for the establishment and operation of the Restaurant from suppliers designated or approved in writing by Franchisor (as used in this Section 8.7 the term "supplier" shall include manufacturers, distributors and other forms of suppliers). In determining whether it will approve any particular supplier, Franchisor shall consider various factors, including but not limited to whether the supplier can demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; whose approval would enable the System, in Franchisor's sole opinion, to take advantage of marketplace efficiencies; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. Franchisor reserves the right to designate, at any time and for any reason, a single supplier for any equipment, supplies, services, or products (including any Products) and to require Franchisee to purchase exclusively from such designated supplier, which exclusive designated supplier may be Franchisor or an affiliate of Franchisor.

8.7.1 Notwithstanding anything to the contrary in this Agreement, Franchisee shall purchase all of its requirements for Proprietary Products (which may include, but are not limited to sauces and seasonings) from Franchisor's designee(s), as set forth in Section 8.8 below (through such distributor or distributors as Franchisor may designate). Franchisor shall have the right to introduce additional, substitute new, or discontinue Proprietary Products from time to time.

8.7.2 If Franchisee desires to purchase any Products (except for Proprietary Products) or other items, equipment, supplies, services from suppliers other than those previously designated or approved by Franchisor, Franchisee must first submit to Franchisor a written request for authorization to purchase such items. Franchisee shall not purchase from any supplier until, and unless, such supplier has been approved in writing by Franchisor. Franchisor may deny such approval for any reason, including its determination to limit the number of approved suppliers. Franchisee must submit to Franchisor such information and samples as Franchisor may reasonably require, and Franchisor shall have the right to require periodically that its representatives be permitted to inspect such items and/or supplier's facilities, and that samples from the proposed supplier, or of the proposed items, be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. Permission for such inspections shall be a condition of the initial and continued approval of such supplier. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Franchisor may render to such suppliers.

8.7.3 Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Upon receipt of written notice of such revocation, Franchisee shall cease to sell or use any disapproved item, Products and/or cease to purchase from any disapproved supplier.

8.7.4 Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier, nor to require Franchisor to make available to prospective suppliers, standards and specifications for formulas, which Franchisor shall have the right to deem confidential.

8.7.5 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known suppliers who are willing to supply all or some Burrito Blvd Restaurants with some or all of the products or services that Franchisor requires for use or sale in the development and operation of Burrito Blvd Restaurants. In this event, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all Products and other products and services, and/or refuse any of Franchisee's requests if Franchisor believes that this action is in the best interests of the System or the franchised network of Burrito Blvd Restaurants. Franchisor shall have unlimited discretion to approve or disapprove of the suppliers who may be permitted to sell Products to Franchisee.

8.7.6 Franchisor and its affiliates may receive payments or other compensation from suppliers on account of such suppliers' dealings with Franchisee and other franchisees; and Franchisor may use all amounts so received for any purpose Franchisor and its affiliates deem appropriate.

8.8 Proprietary Products. Franchisee acknowledges and agrees that the Proprietary Products offered and sold at Burrito Blvd Restaurants are manufactured in accordance with secret blends, recipes, standards, and specifications of Franchisor or Franchisor's affiliates, and are Proprietary Products of Franchisor and its affiliates. In order to maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all Burrito Blvd Restaurants in the System, Franchisee agrees to purchase Proprietary Products only from Franchisor or its designee(s), and not to offer or sell any other items not approved by Franchisor at or from the Restaurant. In connection with the handling, storage, transport and delivery of any Proprietary Products purchased from Franchisor, its affiliates or designee(s), Franchisee acknowledges that any action or inaction by any third party (e.g., an independent carrier) in connection with the handling, storage, transport and delivery of the Proprietary Products shall not be attributable to nor constitute negligence of Franchisor. A request shall not be approved unless and until Franchisee receives written approval from Franchisor.

8.9 Inspections. Franchisee shall permit Franchisor and its agents to enter upon the Premises at any time during normal business hours for the purpose of conducting inspections of the Premises and the operations of Franchisee. Franchisee shall cooperate with representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting other rights of Franchisor under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee the actual expenses of Franchisor in so acting, which shall be payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

8.10 Trademarked Items. Franchisee shall ensure that all advertising and promotional materials, signs, decorations, paper goods (including wrapping and containers for products, napkins, menus and all forms and stationery used in the Restaurant), Products, and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor. Franchisee shall place and illuminate all signs in accordance with Franchisor's specifications.

8.11 Participation in Promotions. Franchisee shall participate in promotional programs developed by Franchisor for the System, in the manner directed by Franchisor in the Manual or otherwise in writing, to the extent such promotional programs do not directly affect Franchisee's pricing freedom. In no way limiting the foregoing, Franchisee agrees that if required by Franchisor:

8.11.1 Franchisee shall participate in all programs and services for frequent customers, senior citizens, children, and other categories, which may include providing discount or complimentary Products.

8.11.2 Franchisee shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor, and only in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisee or another Burrito Blvd Restaurant. Franchisee shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by Franchisor in the Manual or otherwise in writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other Burrito Blvd Restaurants and for making timely payment to Franchisor, other operators of Burrito Blvd Restaurants, or a third-party service provider for Gift Cards issued from the Restaurant that are honored by Franchisor or other Burrito Blvd Restaurant operators.

8.12 Health /Standards. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant under the Manual and applicable health ordinances. Franchisee shall also comply with the requirements set forth in the Manual for submitting to Franchisor a copy of a violation or citation relating to Franchisee's failure to maintain any health or safety standards in the operation of the Restaurant.

8.13 Maintenance of Premises. Franchisee shall maintain the Restaurant and the Premises in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such repairs and replacements thereto (but no others without prior written consent of Franchisor) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct.

8.14 Ongoing Upgrades and Refurbishments. As set forth in Section 8.6.1, throughout the term of this Agreement, Franchisee shall maintain all fixtures, furnishings, equipment, decor, and signs as Franchisor may prescribe from time to time in the Manual or otherwise in writing. Franchisee shall make such changes, upgrades, refurbishment, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

8.15 Five-Year Refurbishment and Renovations. At the request of Franchisor, but not more often than once every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Premises, at its expense, to conform to the restaurant design, trade dress, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Burrito Blvd Restaurants. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and shall be completed pursuant to such standards, specifications and deadlines as Franchisor may specify.

8.16 Compliance with Lease. Franchisee shall comply with all terms of its lease or sublease, its financing agreements (if any), and all other agreements affecting the operation of the Restaurant; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall not engage in any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Premises.

8.17 Obligations to Third Parties. Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to such persons become due, and failure to do so shall constitute a breach of this Agreement.

8.18 Notice of Legal Actions. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, including health agencies, which (i) relates to the operation of the Restaurant, (ii) may adversely affect the operation or financial condition of the Restaurant, or (iii) may adversely affect Franchisee's financial condition.

8.19 No Relocation. Franchisee shall not relocate the Restaurant from the Accepted Location without the prior written approval of Franchisor. If Franchisee desires to relocate the Restaurant, the following terms and conditions shall apply:

8.19.1 Franchisee shall submit such materials and information as Franchisor may request for the evaluation of the requested plan of relocation. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval for relocation: (i) Franchisee not be in default under any provision of this Agreement, or any other agreement between Franchisee and Franchisor; (ii) the proposed substitute location meets Franchisor's then-current standards for Burrito Blvd Restaurants and is located within Franchisee's Territory; (iii) the lease (if applicable) for the proposed substitute location must comply with Franchisor's then-current lease requirements for Burrito Blvd Restaurants (which may include the requirement that the lease contain certain terms and conditions, which may be different than, or in addition to, those terms Franchisor required as of the Effective Date with respect to the Accepted Location), and Franchisee must obtain Franchisor's acceptance of the proposed lease; (iv) Franchisee must possess the financial resources to meet the costs associated with relocating; and (v) Franchisee enter into Franchisor's then-current form of Franchise Agreement (which shall replace this Agreement), provided that Franchisee shall not be required to pay an initial fee.

8.19.2 If, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have forty five (45) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld and, in such event, the relocation fee described in Section 8.19.1 above shall not apply.

8.20 Franchisee Advisory Councils. Franchisor may, but is not obligated to, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (hereinafter "Advisory Council") or such successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to franchised Burrito Blvd Restaurants. Such Advisory Council shall be comprised of three (3) franchisees, who are chosen by a vote of all franchisees in the System. The Franchisor retains the right, in its sole discretion, to dissolve, change or reform the Advisory Council.

8.21 Changes to the System. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System presently identified by the Proprietary Marks, as Franchisor deems appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Burrito Blvd Restaurants. Changes to the System may include, without limitation, the adoption and use of new, modified, or substituted products, services, equipment and furnishings and new techniques and methodologies, and (as described in Section 9 below) additional or substitute trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Restaurant any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any Burrito Blvd Restaurant or the System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder.

8.22 Modifications Proposed by Franchisee. Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

9. PROPRIETARY MARKS

9.1 Ownership. Franchisor represents with respect to the Proprietary Marks that:

9.1.1 Franchisor is the licensee of the owner of the Proprietary Marks, with all right, title, and interest in and to the Proprietary Marks.

9.1.2 Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.2 License to Franchisee. Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor.

9.3 Terms of Franchisee's Usage. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees to:

9.3.1 Use only the Proprietary Marks designated by Franchisor, and to use them only in the manner authorized and permitted by Franchisor;

9.3.2 Franchisee shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Franchisor-approved advertising for the business conducted at or from that location;

9.3.3 Operate and advertise the Restaurant only under the name "Burrito Blvd," and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor.

9.3.4 Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee may, as necessary to conduct the business of the Restaurant and to obtain governmental licenses and permits for the Restaurant, indicate that Franchisee shall be operating the Restaurant under the trade name "Burrito Blvd," provided that Franchisee shall also clearly identify itself as the owner and operator of the Restaurant;

9.3.5 Identify itself as the owner of the Restaurant (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations on the Premises as Franchisor may designate in writing;

9.3.6 Not to use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

9.3.7 Execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

9.3.8 Promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's license of, the right of Franchisor to use and to license others to use, or Franchisee's right to use the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by

Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts.

9.4 Franchisee Acknowledgments. Franchisee expressly understands and acknowledges that:

9.4.1 Franchisor is the licensee of the owner of the Proprietary Marks, with all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and that Franchisor has the sole right to use, and license others to use, the Proprietary Marks;

9.4.2 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor's right to use and to license others to use, the Proprietary Marks;

9.4.3 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

9.4.4 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

9.4.5 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling the Products; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

9.4.6 Franchisor shall have the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder at the sole discretion of Franchisor.

10. MANUAL

10.1 Manual and Procedures. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manual, which Franchisee shall receive on loan from Franchisor, via electronic access or otherwise, for the term of this Agreement upon completion by Franchisee of initial training. The Manual may be set forth in several volumes, computer discs, other electronic stored data, and video, including such amendments thereto, as Franchisor may publish from time to time. Additionally, Franchisee acknowledges and agrees that Franchisor may provide a portion or all (including updates and amendments) of the Manual, and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer discs, or the Internet.

10.2 The Manual is Proprietary and Confidential. Franchisee shall treat the Manual, any other materials created for or approved for use in the operation of the Restaurant, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. Franchisee shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor.

10.3 The Manual Remains Franchisor's Property. The Manual shall remain the sole property of Franchisor and shall be accessible only from a secure place on the Premises, and shall be returned to Franchisor, as set forth in Section 17.8 below, upon the termination or expiration of this Agreement.

10.4 Revisions to the Manual. Franchisor may from time to time revise the contents of the Manual, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall ensure that the Manual are kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copies maintained at the home office of Franchisor shall be controlling.

11. CONFIDENTIAL INFORMATION

11.1 Agreement with respect to Confidentiality. Franchisee acknowledges and agrees that it shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning Franchisor, the System, the Products and/or the marketing, management or operations of the Restaurant that may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, and techniques which

Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

11.2 Individual Covenants of Confidentiality. At Franchisor's request, Franchisee shall require its manager(s) and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Restaurant. Such covenants shall be in a form satisfactory to Franchisor (the current forms of which are included in Exhibit F to this Agreement), which shall include specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

11.3 Remedies for Breach. Franchisee acknowledges that any failure to comply with the requirements of this Section 11 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

11.4 Grantback. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Restaurant. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques in all restaurant businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

12. ACCOUNTING AND RECORDS

12.1 Books and Records. With respect to the operation and financial condition of the Restaurant, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manual or otherwise in writing. Franchisee shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

12.2 Franchisee's Reports to Franchisor. In addition to the Sales Reports required pursuant to Section 4.3 above, Franchisee shall:

12.2.1 Prepare by the twentieth (20th) day of each calendar month a balance sheet and profit and loss statement and an activity report for the last preceding calendar month, which shall be in the form prescribed by Franchisor. Franchisee shall maintain and submit such statements and reports to Franchisor at the times as Franchisor may designate or otherwise request.

12.2.2 Submit to Franchisor on April 15th of the year following the end of each calendar year, unless Franchisor designates in writing a different due date, during the term of this Agreement, a profit and loss statement for such year and a balance sheet as of the last day of such year, prepared on an accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP"), including but not limited to all adjustments necessary for fair presentation of the financial statements. Franchisee shall certify such financial statements to be true and correct. Additionally, Franchisor reserves the right to require Franchisee to prepare (or cause to be prepared) and provide to Franchisor annual financial statements, (that includes a fiscal year-end balance sheet, an income statement of the Restaurant for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of Franchisee), and to require that such statements be prepared on a review basis by an independent certified public accountant (who Franchisor may require to be retained in accordance with Section 4.6). Franchisee shall provide such additional information, if any, as Franchisor may reasonably require in order for Franchisor to meet its obligations under GAAP.

12.2.3 Franchisee shall maintain its books and records, and provide all statements and reports to Franchisor, using the standard statements, templates, categories, and chart of accounts that Franchisor provides to Franchisee.

12.2.4 Submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manual or as Franchisor shall otherwise require in writing from time to time (including without limitation the requirement that Franchisee provide or make available to Franchisor certain sales and financial information in electronic format and/or by electronic means).

12.3 Inspection and Audit. Franchisor and its agents shall have the right at all reasonable times to examine and copy, at the expense of Franchisor, the books, records, accounts, and business tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any contributions or payments have been understated in any statement or report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any statement or report of two percent (2%) or more, Franchisee shall, in addition to repayment of money owed with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

13. MARKETING AND PROMOTION

Recognizing the value of marketing and promotion, and the importance of the standardization of marketing and promotion programs to the furtherance of the goodwill and public image of the System, Franchisee and Franchisor agree as follows:

13.1 Brand Development Fund. Franchisor shall have the right at any time, in its sole discretion to establish a fund for system-wide advertising and promotion of the System (the "Brand Development Fund"). During the existence of the Brand Development Fund, Franchisee must pay a non-refundable Brand Development Fee in an amount equal to 2% of Gross Sales. The Brand Development Fee will be used for national and regional advertising, publicity and promotion relating to Burrito Blvd Restaurants. The Brand Development Fund shall be maintained and administered by Franchisor as follows:

13.1.1 Franchisor shall direct all marketing programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisor is not obligated, in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Development Fund.

13.1.2 The Brand Development Fund, all contributions thereto, and any earnings thereon shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing marketing, advertising, public relations, and/or promotional programs and materials, and any other activities including socially responsible activities, which Franchisor believes will enhance the image of the System, including, among other things, the costs of preparing and conducting media marketing campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; sponsorship of organizations and events; purchasing promotional items; conducting and administering in-store promotions; and providing promotional and other marketing materials and services to the Burrito Blvd Restaurants operating under the System.

13.1.3 Franchisee shall contribute to the Brand Development Fund by payment made directly to Franchisor. All sums paid by Franchisee to the Brand Development Fund shall be accounted for separately and shall not be used to defray any of the expenses of Franchisor, except for such reasonable costs, salaries and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Development Fund and marketing programs for operators and the System, including costs of personnel for creating and implementing marketing, advertising, and promotional programs. The Brand Development Fund and any earnings from it shall not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for the Brand Development Fund.

13.1.4 Franchisor, upon request, shall provide Franchisee with an annual accounting of Brand Development Fund receipts and disbursements.

13.1.5 Franchisor reserves the right, in its sole discretion, to discontinue the Brand Development Fund upon written notice to Franchisee.

13.1.6 Franchisor may, but is not required to, make available to Franchisee from time to time, marketing plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar marketing and promotional materials produced from contributions to the Brand Development Fund. Franchisee acknowledges and agrees that it shall be reasonable for Franchisor to not provide any such materials to Franchisee during any period in which Franchisee is in not in full compliance with its obligations to contribute to the Brand Development Fund. Additionally, if money of the Brand Development Fund are used to produce point of sale materials, or other samples or other promotional materials and items, Franchisor may, on the behalf of the Brand Development Fund, sell such items to franchisees in the System at a reasonable price, and any proceeds from the sale of such items or materials shall be contributed to the Brand Development Fund.

13.2 Cooperative Marketing Fund . Franchisor shall have the right to designate any geographical area for purposes of establishing a regional or local market advertising fund ("Cooperative Marketing Fund "). If a Cooperative Marketing Fund is established for the geographic area in which the Restaurant is located, Franchisee shall become a member of such Cooperative Marketing Fund within thirty (30) days after the date on which the Cooperative Marketing Fund commences operation, or at the time the Franchisee commences operation hereunder. In no event shall Franchisee be required to be a member of more than one (1) Cooperative Marketing Fund . The following provisions shall apply to each such Cooperative Marketing Fund:

13.2.1 Each Cooperative Marketing Fund shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by Franchisor in writing. Unless otherwise specified by Franchisor, the activities carried on by each Cooperative Marketing Fund shall be decided by a majority vote of its members. Any Burrito Blvd Restaurant that Franchisor operates in the region shall have the same voting rights as those owned by its franchisees. Each Burrito Blvd Restaurant owner shall be entitled to cast one (1) vote for each Burrito Blvd Restaurant its owns that belongs to the Cooperative Marketing Fund. Any disputes arising among or between Franchisee, other franchisees in the Cooperative Marketing Fund, shall be resolved in accordance with the rules and procedures set forth in the Cooperative Marketing Fund 's governing documents.

13.2.2 Each Cooperative Marketing Fund shall be organized for the exclusive purpose of administering regional or local advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising and promotion.

13.2.3 Franchisee shall contribute to the Cooperative Marketing Fund in such amounts as will be determined by us, unless we authorize the Cooperative Fund to set the amount. Any money you contribute to a Cooperative will count toward your local marketing requirement.

13.2.4 Franchisee shall submit its required contributions to the Cooperative Marketing Fund at the time required by Franchisor, together with such statements or reports as may be required by Franchisor or by the Cooperative Marketing Fund with Franchisor's prior written approval. If so requested by Franchisor in writing, Franchisee shall submit its payments and reports to the Cooperative Marketing Fund directly to Franchisor for distribution to the Cooperative Marketing Fund .

13.2.5 Franchisor maintains the right to terminate any Cooperative Marketing Fund. A Cooperative Marketing Fund shall not be terminated, however, until either: (a) all money in that Cooperative Marketing Fund have been expended for advertising or promotional purposes; or (b) Franchisor has transferred the unexpended money to the Brand Development Fund in the event there are no longer any Burrito Blvd Restaurants operating within the geographic area covered by such Cooperative Marketing Fund.

13.3 Local Marketing. Franchisee shall comply with the following with respect to local advertising and promotion for the Restaurant:

13.3.1 Franchisee shall spend 2% of Gross Sales each month for local advertising and promotion. Franchisee shall account for such expenditures on a routine basis and shall prepare, in accordance with the schedule and procedures specified by Franchisor from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such previous period. Franchisee shall maintain all such statements, reports and records, and shall submit same to Franchisor as Franchisor may specify in the Manual or otherwise request of Franchisee. Additionally, at the request of Franchisor, Franchisee shall submit bills, statements, invoices, or other documentation satisfactory to Franchisor to evidence Franchisee's advertising or marketing activities.

13.3.2 As used in this Agreement, the terms "local marketing" and "promotion" shall refer to advertising and promotion related directly to the Restaurant, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), and such other activities and expenses as Franchisor, in its sole discretion, may specify. Franchisor may provide to Franchisee, in the Manual or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising" or "promotion," including, without limitation, the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations.

13.3.3 Upon written notice to Franchisee, Franchisor may require Franchisee to participate in mandatory promotions as Franchisor may develop and implement from time to time.

13.4 Grand Opening Advertising. In addition to the Advertising Obligation, Franchisee shall expend Thousand Dollars ($15,000) for grand opening advertising and promotional programs in conjunction with the Restaurant's initial grand opening, pursuant to a grand opening marketing plan developed by Franchisor or developed by Franchisee and in writing by Franchisor (the "Grand Opening Advertising Program"). The Grand Opening Advertising Program shall be executed and completed within sixty (60) days after the Restaurant commences operation. Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a marketing plan and samples of all advertising and promotional material not prepared or previously approved by Franchisor. For the purpose of this Agreement, the Grand Opening Advertising Program shall be considered local advertising and promotion, as provided under Section 13.4 above. Franchisor reserves the right to require Franchisee to deposit with Franchisor the funds required under this Section 13.5 to distribute as may be necessary to conduct the Grand Opening Advertising Program.

13.5 Standards for Advertising. All advertising, marketing and promotion to be used by Franchisee, the Brand Development Fund or any Cooperative Marketing Fund shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any marketing or promotional plans or materials that are not provided by Franchisor unless and until Franchisee has submitted the materials to Franchisor, pursuant to the procedures and terms set forth in Section 13.7 herein.

13.6 Franchisor's Approval of Proposed Plans and Materials. If Franchisee desires to use marketing and promotional plans and materials that have not been provided or previously approved by Franchisor, Franchisee shall submit samples of all such marketing and promotional plans and materials to Franchisor (as provided in Section 24 herein) for prior approval (including prices to be charged). If written notice of disapproval is not received by Franchisee from Franchisor within five (5) business days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them.

13.7 Directory Listings. Franchisee shall, at its expense and in addition to its expenditures for local advertising and promotion, obtain listings in the white and yellow pages of local telephone directories. Franchisee shall comply with Franchisor's specifications concerning such listings, including the form and size of such listings, and the number of directories in which such listings shall be placed. Additionally, Franchisee shall be required to obtain listings in and advertise with Franchisor and other franchisees in the System, on electronic yellow page directories and other on-line directories as Franchisor may designate. Franchisor reserves the right to place such, and subsequently modify or remove, on-line listings and advertisements on behalf of Franchisee. For any listings or advertisements posted by or on behalf of Franchisee, Franchisee shall promptly pay, upon demand by Franchisor, its pro-rata share of the costs. Additionally, these activities may be carried out through the use of the Brand Development Fund.

13.8 Ownership of Advertising Plans and Materials. Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Proprietary Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Restaurant or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

14. INSURANCE

14.1 Insurance. Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with Franchisee's operations and the Restaurant, as Franchisor may reasonably require for their own and Franchisee's protection. Franchisor and such of its respective affiliates shall be named additional insured in such policy or policies.

14.2 Coverages. Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Manual or otherwise in writing; provided, however, that Franchisor shall have the right to designate from time to time, one or more insurance companies as the insurance carrier(s) for Burrito Blvd Restaurants, and if required by Franchisor, Franchisee shall be obtain its insurance coverage from the designated insurance company (or companies). The policy or policies shall include, at a minimum (except as different coverages, umbrella coverages, and policy limits may reasonably be specified for all Franchisees from time to time by Franchisor in the Manual or otherwise in writing) the following:

14.2.1 Builder's risk insurance that satisfies the standards and specifications set forth by Franchisor in the Manual or otherwise in writing to cover any period(s) of renovation or construction at the Restaurant.

14.2.2 All risks coverage insurance on the Restaurant and all fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value of the equipment, improvements and betterments, without any applicable co-insurance clause, except that an appropriate deductible clause shall be permitted.

14.2.3 Worker's compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule of the state in which the Restaurant is located and operated. If Franchisee is permitted to and elects not to have worker's compensation insurance for its owners and officers, Franchisee shall have alternative coverages at all times for work-related injuries.

14.2.4 Comprehensive general liability insurance with limits of at least Three Million Dollars ($3,000,000) per occurrence, and Ten Million Dollars ($10,000,000) general aggregate, and product liability insurance with limits of at least Two Million Dollars ($2,000,000) general aggregate limit including the following coverages: personal injury (employee and contractual inclusion deleted); products/completed operation; and tenant's legal liability; insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Restaurant, provided that the required amounts herein may be modified from time to time by Franchisor to reflect inflation or future experience with claims.

14.2.5 Property damage liability with at least Five Hundred Thousand Dollars ($500,000) combined single limit, and One Million Dollars ($1,000,000) general aggregate limit.

14.2.6 Liquor liability with at least Three Million Dollars ($3,000,000) per occurrence.

14.2.7 Excess liability coverage over general liability, automobile liability, liquor liability and employer's liability, with at least Four Million Dollars ($4,000,000) per occurrence.

14.2.8 Such insurance and types of coverage as may be required by the terms of any lease for the Premises, or as may be required from time to time by Franchisor.

14.2.9 Business interruption insurance for actual losses sustained of no less coverage than One Million Dollars ($1,000,000) per occurrence.

14.3 Certificates of Insurance. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Prior to commencing any renovations or construction at the Restaurant, Franchisee shall provide Franchisor with a Certificate of Insurance for the builder's risk insurance required under Section 14.2.1. At least thirty (30) days prior to the opening of the Restaurant, but in no event later than the date on which Franchisee acquires an interest in the real property on which it will develop and operate the Restaurant, and thereafter on an annual basis, Franchisee shall provide Franchisor with a Certificate of Insurance showing compliance with the foregoing requirements (except with respect to the builder's risk insurance, which shall have already been in effect pursuant to Section 14.2.1 above). Such certificate shall state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Paragraph shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Franchisee acknowledges that minimum limits as required above may be modified by Franchisor in its sole discretion from time to time, by written notice to Franchisee.

14.4 Franchisor's Right to Procure Insurance for Franchisee. Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

15. TRANSFER OF INTEREST

15.1 Franchisor's Rights to Transfer. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may sell its assets, its Proprietary Marks, or its

System; may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

15.2 No Transfers Without Franchisor's Approval. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee or the Principals of Franchisee if Franchisee is not an individual, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

15.2.1 Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) the rights and obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Restaurant.

15.2.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by Franchisor.

15.2.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal of Franchisee.

15.2.4 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of the Principal in Franchisee, as such is identified in Exhibit C.

15.3 Conditions on Transfer. Franchisor shall not unreasonably withhold any consent required by Section 15.2 above; provided, that if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would have the effect of changing control of Franchisee, results in the assignment of the rights and obligations of Franchisee under this Agreement, or transfers the ownership interest in all or substantially all of the assets of the Restaurant or the business franchised hereunder, Franchisor shall have the right to require any or all of the following as conditions of its approval:

15.3.1 All of Franchisee's monetary obligations and all other outstanding obligations to Franchisor, its affiliates, and the approved suppliers of the System have been satisfied in full;

15.3.2 Franchisee shall not be in default under any provision of this Agreement, any other agreement between Franchisee and Franchisor or its affiliate, the approved suppliers of the System, or the lessor (or sublessor) for the Premises;

15.3.3 Each transferor (and, if the transferor is other than an individual, the transferor and such owners of beneficial interest in the transferor as Franchisor may request) shall have executed a general release in a form satisfactory to Franchisor of any and all claims against Franchisor and its affiliates and their respective officers, directors, agents, and employees (provided, however, that all rights enjoyed by the Franchisee and any causes of action arising in his/her favor from the provision of Article 33 of the New York General Business Law ("GBL") and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied);

15.3.4 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee. Additionally, the transferee or such owners of the transferee as Franchisor may request shall guarantee the performance of the transferee's obligations in writing in a form satisfactory to Franchisor;

15.3.5 The transferee shall demonstrate to Franchisor's satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as Franchisor may request) meets Franchisor's then-current application qualifications (which may include educational, managerial, socially responsible, and business standards, good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Restaurant and absence of conflicting interests; and has adequate financial resources and capital to operate the Restaurant;

15.3.6 At Franchisor's option, Franchisee shall execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher or additional fees;

15.3.7 If so requested by Franchisor, Franchisee, at its expense, shall upgrade the Restaurant, and other equipment to conform to the then-current standards and specifications of new Burrito Blvd Restaurants then being established in the System, and shall complete the upgrading and other requirements within the time specified by Franchisor.

15.3.8 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Restaurant that arose prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

15.3.9 The transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) and the transferee's manager (if applicable) shall, at the transferee's expense, successfully attend and successfully complete any training programs then in effect for operators and managers upon such terms and conditions as Franchisor may reasonably require;

15.3.10Franchisee shall pay a transfer fee in an amount equal to fifty percent (50%) of Franchisor's then-current initial franchise fee to compensate Franchisor for its expenses incurred in connection with the transfer.

15.3.11The transferor(s), at the request of Franchisor, shall agree in writing to comply with the covenants set forth in Section 18 below.

15.4 Additional Terms. For any transfer not covered by Section 15.3, each transferee shall, in addition to the requirement of obtaining Franchisor's consent as provided in Section 15.2 , be subject to the requirements of Sections 15.3.3 and 15.3.4 above (with respect to execution of releases and personal guarantees).

15.5 Security Interests. Neither Franchisee nor any Principal shall grant a security interest in, or otherwise encumber, any of the assets or securities of Franchisee, including the Restaurant unless Franchisee satisfies the requirements of Franchisor, which include, without limitation, execution of an agreement by the secured party in which it acknowledges the creditor's obligations under this Section 15, and agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

15.6 Right of First Refusal. If Franchisee or any Principal desires to accept any *bona fide* offer from a third party to purchase Franchisee, any material asset of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller shall not be considered a third party for purposes of this

Section 15.6. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor, or, if longer, on the same timetable as contained in the *bona fide* offer.

15.6.1 Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 15.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer.

15.6.2 If the consideration, terms, and conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and conditions offered by the third party, Franchisor shall designate an independent appraiser to make a binding determination. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 15.6, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

15.7 Death of a Principal. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party approved by Franchisor within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer the deceased's interest to a third party approved by Franchisor within twelve (12) months after the deceased's death.

15.8 Permanent Disability of Controlling Principal. Upon the permanent disability of any Principal with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 15 within six (6) months after notice to Franchisee. "Permanent Disability" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 15.8 as of the date of refusal. Franchisor shall pay the cost of the required examination.

15.9 Operation in the Event of Absence or Disability. In order to prevent any interruption of the Restaurant operations which would cause harm to the Restaurant, thereby depreciating the value thereof, Franchisee authorizes Franchisor, who may, at its option, in the event that Franchisee is absent for any reason or is incapacitated by reason of illness and is unable, in the sole and reasonable judgment of Franchisor, to operate the Restaurant, operate the Restaurant for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. All money from the operation of the Restaurant during such period of operation by Franchisor shall be kept in a separate account, the expenses of the Restaurant, including reasonable compensation and expenses for Franchisor's representative, shall be charged to said account. If, as herein provided, Franchisor temporarily operates the Restaurant franchised herein for Franchisee, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, from any and all acts which Franchisor may perform, as regards the interests of Franchisee or third parties.

15.10 Notice to Franchisor of Death or Permanent Disability. Upon the death or permanent disability any Principal of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

15.11 Limited Exceptions. Notwithstanding anything to the contrary in this Section 15:

15.11.1Franchisee shall not be required to pay the transfer fee due under Section 15.3.10 above, if the transferee: (a) is a spouse, domestic partner, parent, or direct lineal descendant or sibling of Franchisee or of a Principal of Franchisee (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Restaurant; (b) is a Principal of Franchisee; or (c); is a transferee under Sections 15.7 or 15.8 above.

15.11.2If Franchisee is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 15.3.6 (signing a new franchise agreement), 15.3.7 (upgrading the Restaurant), and 15.3.10 (transfer fee) shall not apply, and Franchisee may undertake such transfer, provided that Franchisee owns one hundred percent (100%) of the equity interest in the transferee entity, and the Franchisee personally guarantees, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Franchisee under the Franchise Agreement.

15.12 No Waiver. The consent of Franchisor to any transfer pursuant to this Section 15 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be a waiver of the right of Franchisor to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15.13 Bankruptcy. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of Franchisee, Franchisee's obligations and rights hereunder and any material assets of Franchisee, shall be subject to all of the terms of this Section 15.

15.14 No Transfers in Violation of Law. Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

16. DEFAULT AND TERMINATION

16.1 Automatic Termination. Franchisee shall be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee, or any of Franchisee's partners, if Franchisee is a partnership, or any of its officers, directors, shareholders, or members, if Franchisee is a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Termination Upon Notice. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 24 hereof), upon the occurrence of any of the following events of default:

16.2.1 If Franchisee fails to complete all pre-opening obligations and to open the Restaurant within the time limits as provided in Section 5.4 above;

16.2.2 If Franchisee or any of its Principals is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the Products, the goodwill associated therewith, or the interest of Franchisor therein;

16.2.3 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant;

16.2.4 If Franchisee's action or inaction, at any time, results in the loss of the right to possession of the Premises, or forfeiture of the right to do or transact business in the jurisdiction where the Restaurant is located;

16.2.5 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 15 hereof;

16.2.6 If Franchisee knowingly maintains false books or records, or knowingly submits any false statements or reports to Franchisor;

16.2.7 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

16.2.8 If Franchisee fails to comply with the covenants in Section 18.2 below or fails to timely obtain execution of the covenants required under Section 18.5 below;

16.2.9 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or if Franchisee otherwise operates the Restaurant in a manner that materially impairs the reputation or goodwill associated with the System, Proprietary Marks, Products, or the rights of Franchisor therein;

16.2.10 If Franchisee, after curing a default pursuant to Sections 16.3 or 16.4 hereof, commits the same default again, whether or not cured after notice.

16.2.11 If Franchisee commits three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice (this provision in no way limits Section 16.2.10 above);

16.2.12 If Franchisee at any time ceases to operate or otherwise abandons the Restaurant for a period of three (3) consecutive days unless such closure is approved in writing by Franchisor, or excused by *force majeure*.

16.2.13 If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

16.3 Notice and Opportunity to Cure - 7 Days. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least seven (7) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the seven (7) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the seven (7) day period or such longer period as applicable law may require.

16.3.1 If Franchisee fails, refuses, or neglects promptly to pay any money owing to Franchisor or its affiliates when due;

16.3.2 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records, or accounts of Franchisee upon demand; or

16.3.3 If Franchisee fails to operate the Franchisor during such days and hours specified in the Manual (this provision in no way limits Section 16.2.12.

16.4 Notice and Opportunity to Cure - 30 Days. Except as otherwise provided in Sections 16.1, 16.2 and 16.3 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

16.5 Cross Default; Non-Exclusive Remedies. Any default by Franchisee (or any person/company affiliated with Franchisee) under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee). Any default by Franchisee (or any person/company affiliated with Franchisee) under any other agreement, any lease or sublease, between Franchisor (or any affiliate of Franchisor) and Franchisee (or any person/company affiliated with Franchisee), and any default by Franchisee (or any person/company affiliated with Franchisee) under any obligation to Franchisor (or any affiliate of Franchisor) may be regarded as a default under this Agreement. Any default by Franchisee (or any person/company affiliated with Franchisee) under any lease, sublease, loan agreement, security interest or otherwise, whether with Franchisor, any affiliate of Franchisor or any third party may be regarded as a default under this Agreement and any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee).

In each of the foregoing cases, Franchisor (and any affiliate of Franchisor) will have all remedies allowed at law, including termination of Franchisee's rights (and those of any person/company affiliated with Franchisee) and Franchisor's (and Franchisor's affiliates') obligations. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity and Franchisor may pursue any rights and remedies available.

16.6 Amendment Pursuant to Applicable Law. Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. Franchisor shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

16.7 Right of Franchisor to Discontinue Services to Franchisee. If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to this Section 16, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any services or products for which Franchisor is an Approved Supplier to Franchisee and suspension of Franchisee's webpage on Franchisor's Website, until such time as Franchisee corrects the breach.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and:

17.1 Stop Operating. Franchisee shall immediately cease to operate the Restaurant, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former operator of Franchisor in connection with the promotion or operation of any other business.

17.2 Stop Using the System. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Mark "Burrito Blvd" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, marketing materials, displays, stationery, forms, products, and any other articles which display the Proprietary Marks.

17.3 Cancel Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark “Burrito Blvd” or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.4 The Premises. Franchisee shall, at the option of Franchisor, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of Burrito Blvd Restaurants under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 17.4, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. Additionally, if Franchisor does not elect to exercise the option to acquire the lease/sublease, Franchisee shall comply with Section 18.3 below regarding a Competitive Business (as defined in Section 18.2.3 below).

17.5 Phone Numbers and Directory Listings. In addition, Franchisee shall cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Restaurant, and shall promptly execute such documents or take such steps necessary to remove reference to the Restaurant from all trade or business telephone directories, including “yellow” and “white” pages, or at Franchisor’s request transfer same to Franchisor. Franchisee hereby authorizes Franchisor to instruct issuers of any telephone and internet domain name services, and other providers to transfer any such telephone numbers, domain names, websites, addresses, and any other identifiers to Franchisor upon termination of this Agreement, without need for any further approval from Franchisee. Without limiting the foregoing, if requested by Franchisor, Franchisee shall provide, during the term or upon termination of this Agreement, written confirmation of Franchisor’s rights under this Section 17.5. Franchisee agrees that it shall sign such documents and do such things (without cost to Franchisee) that may be reasonably requested by Franchisor in order to implement this Section 17.5.

17.6 No Use of Proprietary Marks or Trade Dress in other Businesses. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in the sole discretion of Franchisor, is likely to cause confusion, mistake, or deception, or which, in the sole discretion of Franchisor, is likely to dilute the rights of Franchisor in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description, or representation (including but not limited to reference to Franchisor, the System, or the Proprietary Marks) which, in the sole discretion of Franchisor, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

17.7 Pay Franchisor All Amounts Due. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and termination, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises at the time of default.

17.8 Return of Manual and Confidential Information. Franchisee shall, at its own expense, immediately deliver to Franchisor the Manual and all other records, computer discs, correspondence, and instructions containing confidential information relating to the operation of the Restaurant (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

17.9 Franchisor's Option to Purchase Certain Assets. Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Restaurant, at the lesser of Franchisee's cost or fair market value. The cost for such items shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee.

17.10 Comply with Covenants. Franchisee and its Principals shall comply with the covenants contained in Section 18.3 of this Agreement.

17.11 Liquidated Damages. If Franchisor terminates this Agreement with cause, Franchisee must pay Franchisor liquidated damages equal to the average monthly Royalty Fees Franchisee paid to Franchisor during the most recent twelve (12) months of operation before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years or (ii) the number of months remaining during the term of this Agreement, whichever is higher.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to Franchisor's reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. Franchisee and each of its owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

18. COVENANTS

18.1 Full Time and Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is not an individual, the Designated Principal) or Franchisee's fully trained General Manager shall devote full time and best efforts to the management and operation of the Restaurant.

18.2 During the Agreement Term. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Divert or attempt to divert any present or prospective business or customer of any Burrito Blvd Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

18.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A "Competitive Business" shall be considered to be retail food businesses that feature Asian cuisine or barbecue. Furthermore, Franchisee acknowledges and agrees that Franchisee shall be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 16.2.8 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Franchisee (or, if Franchisee is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 18.2.3 if such person was subject to the covenants of this Section 18.2.3.

18.3 After the Agreement and After a Transfer. Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 15 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 18.3; or (e) any or all of the foregoing:

18.3.1 Franchisee shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at the Accepted Location, within the Territory, within a radius of fifteen (15) miles of any other Burrito Blvd Restaurant located anywhere; provided, however, that this provision shall not apply to the operation by Franchisee of any business under the System under a franchise agreement with Franchisor; or

18.3.2 Franchisee shall not sublease, assign, or sell Franchisee's interest in any lease, sublease, or ownership of the Premises or assets of the Restaurant to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the operation by a third party of a Competitive Business.

18.4 Exception for Ownership in Public Entities. Sections 18.2.3 and 18.3 shall not apply to ownership by Franchisee of a less than three percent (3%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

18.5 Personal Covenants. At the request of Franchisor, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 18 (including covenants applicable upon the termination of a person's relationship with Franchisee) and the provisions of Sections 10 and 15 of this Agreement (as modified to apply to an individual) from any or all of the following persons: (a) the Designated Principal, (b) all managers and other personnel employed by Franchisee who have received or will receive training and other confidential information; (c) all officers, directors, and Principals who have or will receive training or access to confidential information, or who are or may be involved in the management and operation of the Restaurant. Every covenant required by this Section 18.5 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

18.6 Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 18.

18.7 Franchisor's Right to Reduce Scope of the Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 25 hereof.

18.8 Covenants Survive Claims. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 18; provided, however, any claims Franchisee may have against Franchisor may be brought in a separate proceeding. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 18.

19. CORPORATE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP FRANCHISEE

19.1 List of Principals. If Franchisee is a corporation, limited liability company, or partnership, each Principal of Franchisee, and the interest of each Principal in Franchisee, shall be identified in Exhibit C hereto. Franchisee shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Exhibit C upon any change, which shall be made only in compliance with Section 15 above.

19.2 Guaranties. Such Principals as Franchisor may request shall execute a guaranty, indemnification, and acknowledgment of Franchisee's obligations under this Agreement in the form attached hereto as Exhibit E. As set forth in Section 8.3, the Designated Principal shall at all times have at least a ten percent (10%) interest in Franchisee.

19.3 Corporations and Limited Liability Companies. If Franchisee is a corporation or limited liability company, Franchisee shall comply with the following requirements:

19.3.1 Franchisee shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to operating the Restaurant.

19.3.2 Franchisee shall, upon request of Franchisor, promptly furnished to Franchisor copies of Franchisee's articles of incorporation, bylaws, articles of organization, operating agreement and other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

19.3.3 Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Franchisee shall conspicuously endorse upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 18.2.3 shall not apply to a publicly held corporation.

19.4 Partnerships and Limited Liability Partnerships. If Franchisee or any successor to or assignee of Franchisee is a partnership or limited liability partnership, Franchisee shall comply with the following requirements:

19.4.1 Franchisee shall be newly organized and its partnership agreement shall at all times provide that its activities are confined exclusively to operating the Restaurant.

19.4.2 Franchise shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

19.4.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

20. TAXES, PERMITS, AND INDEBTEDNESS

20.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Restaurant. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

20.2 Dispute About Taxes. In the event of any *bona fide* dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises of the Restaurant, or any improvements thereon.

20.3 Compliance with Laws. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Restaurant, including licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 Independent Contractor. Franchisee understands and agrees that Franchisee is and will be an independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation Franchisee pay may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions for Franchisee's Burrito Blvd Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee.

Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of Franchisee's Burrito Blvd Restaurant and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of Franchisee's Burrito Blvd Restaurant, which Franchisee alone controls, but only constitutes standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of Franchisee's Burrito Blvd Restaurant.

Franchisee may not, without Franchisor's prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, Franchisor may not control or have access to Franchisee's funds or the expenditure of Franchisee's funds or in any other way exercise dominion or control over Franchisee's Burrito Blvd Restaurant. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Burrito Blvd Restaurant.

21.2 Sole and Exclusive Employer of Franchisee's Employees. Franchisee hereby irrevocably affirms, attests and covenants Franchisee's understanding that Franchisee's employees are employed exclusively by Franchisee and in no fashion are any such employee employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of Franchisee's employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of Franchisee's employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/ /unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate Franchisee's employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that Franchisee's Burrito Blvd Restaurant is at all times staffed at those levels necessary to operate Franchisee's Burrito Blvd Restaurant in conformity with the System and the products, services, standards of quality and efficiency, and other Burrito Blvd brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that Franchisee may staff Franchisee's Burrito Blvd Restaurant with as many employees as Franchisee desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations Franchisee may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate Franchisee's Burrito Blvd Restaurant, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems and operations of a Burrito Blvd Restaurant and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of

Franchisee, should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee's appearing at any such venue.

21.3 Franchisee Not Authorized. Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee or any of the Controlling Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Controlling Principals or any claim or judgment arising therefrom.

21.4 Indemnification. Franchisee shall indemnify and hold Franchisor, Franchisor's owners and affiliates, and their respective officers, directors, and employees (the "Indemnitees") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the operation of the Restaurant and Franchisee's conduct under this Agreement (notwithstanding any claims that the Indemnitees are or were negligent). Franchisee agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, in their discretion, to: (i) choose counsel, (ii) direct, manage or control the handling of the matter; and (iii) settle on behalf of the Indemnitees, and Franchisee, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as prima facie evidence of Franchisee's obligation hereunder.

22. APPROVALS AND WAIVERS

22.1 Approval Requests. Whenever this Agreement requires the prior authorization, approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

22.2 Non-waiver. No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair

Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

23. WARRANTIES OF OPERATOR

23.1 Reliance by Franchisor. Franchisor entered into this Agreement in reliance upon the statements and information submitted to Franchisor by Franchisee in connection with this Agreement. Franchisee represents and warrants that all such statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete in all material respects. Franchisee agrees to promptly advise Franchisor of any material changes in the information or statements submitted.

23.2 Compliance with Laws. Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

24. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, e-mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

25. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26. SEVERABILITY AND CONSTRUCTION

26.1 Severable Parts. Except as expressly provided to the contrary herein, each portion, section, part, term, or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, or provisions shall be deemed not to be a part of this Agreement.

26.2 Terms Surviving this Agreement. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), or assignment shall survive such expiration, termination.

26.3 No Rights on Third Parties. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such successors and assigns of Franchisor as may be contemplated by Section 15 hereof, any rights or remedies under or by reason of this Agreement.

26.4 Full Scope of Terms. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

26.5 Franchisor's Application of its Rights. Franchisor shall have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and in the best interests of the Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interest; (iii) Franchisor's decision or the action it take applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

26.6 Captions Only for Convenience. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

27. APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to, and without giving effect to, the application of New York conflict of law rules. Nothing in this Section 27.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of New York or of any other state to which it would not otherwise be subject.

27.2 Arbitration. Franchisor and Franchisee agree that, except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or Confidential Information, all controversies, disputes, or claims between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Franchisee (or Franchisee's owners, guarantors, affiliates, and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between Franchisee and Franchisor;

(2) Franchisor's relationship with Franchisee;

(3) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or

(4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the AAA's then current rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of Franchisor's then current principal place of business. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid or, except as expressly provided in Subsection 27.5. below, award any punitive, exemplary or multiple damages against either party (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law, except as expressly provided in Subsection 27.5. below, any right to or claim for any punitive, exemplary or multiple damages against the other).

Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Franchisee further agrees that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

Despite Franchisor's and Franchisee's agreement to arbitrate, Franchisor and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Franchisee must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Subsection.

The provisions of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

27.3 No Rights Exclusive of Other Rights. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

27.4 Waiver of Jury Trial. Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Restaurant, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

27.5 Waiver of Punitive Damages. Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other.

27.6 Injunctive Relief. Nothing herein contained shall bar the right of Franchisor to obtain injunctive relief against threatened conduct that will cause it loss or damages, including violations of the terms of Sections 9, 10, 11, 15, and 18 under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

28. SECURITY INTEREST

28.1 Collateral. Franchisee grants to Franchisor a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including Franchisee's interests under all real property and personal property leases) of the Restaurant, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Restaurant. All items in which a security interest is granted are referred to as the "Collateral".

28.2 Indebtedness Secured. The Security Interest is to secure payment of the following (the "Indebtedness"): (a) all amounts due under this Agreement or otherwise by Franchisee; (b) all sums which Franchisor may, at its option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which Franchisor incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting Franchisor's rights under the Security Interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisee executes any extension agreement or renewal instruments. Franchisor's security interest, as described herein, shall be subordinated to any financing related to Franchisee's operation of the Restaurant, including, but not limited to, a real property mortgage and equipment leases.

28.3 Additional Documents. Franchisee will from time to time as required by Franchisor join with Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor.

28.4 Possession of Collateral. Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral.

28.5 Franchisor's Remedies in Event of Default. Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor's option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of New York (or other applicable law), including, without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth above.

28.6 Special Filing as Financing Statement. This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

29. ACKNOWLEDGMENTS

29.1 Franchisee's Investigation of the Business Possibilities. Franchisee acknowledges that it has conducted an independent investigation of the business of operating a Burrito Blvd Restaurant, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as (an) independent businessperson(s). Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

29.2 Receipt of Disclosure Document. Franchisee acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Franchisee for the franchise rights granted under this Agreement.

29.3 Franchisee Read the Agreement and Consulted. Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

29.4 Franchisee's Responsibility for Operation of Business. Although Franchisor retains the right to establish and periodically modify System standards, which Franchisee has agreed to maintain in the operation of the Restaurant, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the Restaurant and the implementation and maintenance of System standards at the Restaurant.

29.5 No Conflicting Obligations. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

29.6 Different Franchise Offerings to Others. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

29.7 Success Depends on Franchisee. Franchisee acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Franchisee's ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

29.8 No Guarantees. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

BURRITO BLVD FRANCHISE GROUP, LLC Franchisor	Franchisee
	By:________________________________
By:________________________________	Name:
Name:______________________________	Title:
Title:_______________________________	
Address for Notices:	Address for Notices:
BURRITO BLVD FRANCHISE GROUP, LLC 98 Mineola Blvd Mineola, NY 11501 Email: joseph@burritoblvd.com Attn: Joseph Vetrano	____________________________________ ____________________________________ Telephone:________________________ Email:____________________________ Attn:

With copy to:

Roger M. Quinland, Esq.
Quinland & Associates
108 Village Square
Suite #230
Somers, NY 10589
Email: rquinland@quinlandlaw.com

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

1. The Accepted Location for the Restaurant shall be ________________________ ____ (See Section 1.2).

2. The Territory shall be (subject to the terms of the Agreement, including but not limited to Section 1.4 of the Agreement) as follows, and which Territory is reflected on the map attached to this Exhibit A:

____

Initial: ____________ Date: __________
Franchisee

Initial: ____________ Date: __________
BURRITO BLVD FRANCHISE GROUP, LLC

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT B
ADA CERTIFICATION

BURRITO BLVD FRANCHISE GROUP, LLC ("**Franchisor**") and ______________________ ("**Franchisee**") are parties to a franchise agreement dated _____________________ for the operation of a Burrito Blvd Restaurant at _____________________________ (the "**Restaurant**"). In accordance with Section 5.5 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Restaurant and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Restaurant. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

Franchisee ________________________

By: ______________________________

Name: ____________________________

Title: _____________________________

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS AND DESIGNATED PRINCIPAL

The following identifies all of Franchisee's Principals (as defined in Section 6.1 of the Franchise Agreement):

Name of Principal	Address	Interest (%) with description
		Total: 100%

FRANCHISEE'S DESIGNATED PRINCIPAL

The following identifies Franchisee's Designated Principal (as defined in Section 8.3 of the Franchise Agreement):

Name and Title	Address, telephone number, and e-mail address	Interest (%) (with description) if any

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT D
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

____ (Name of Person or Legal Entity)
____(ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes BURRITO BLVD FRANCHISE GROUP, LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

____
Depositor

By:_______________________________

Name:_____________________________

Title:_____________________________

Date:_____________________________

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT E-1
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to BURRITO BLVD FRANCHISE GROUP, LLC ("**Franchisor**") to enter the BURRITO BLVD FRANCHISE GROUP, LLC Franchise Agreement between Franchisor and ______________________________________ ("**Franchisee**"), dated _________, 20__ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary obligations under the Agreement will be punctually paid and performed and that all monetary obligations will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Sections 11, 15, 17, and 18 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Burrito Blvd" marks or system licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Guarantor represents and warrants to Franchisor that neither Guarantor (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this guarantee provision shall be in writing and shall be personally delivered, in the manner provided under Section 24 of this Agreement.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 27 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of the State of New York shall prevail (without regard to, and without giving effect to, the application of New York conflict of law rules).

IN WITNESS WHEREOF, the undersigned has signed this guarantee provision as of the date of this Agreement.

GUARANTOR(S)

____

____

____

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT E-2

Management: As required pursuant to Section 10 of this Agreement, the following Principal Owners shall have supervisory responsibilities in connection with the operation of the Restaurant:

Name:_________________________

Name:_________________________

Name:_________________________

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT F
<u>CONFIDENTIALITY AND NON-COMPETE AGREEMENT</u>
<u>FOR FRANCHISEE'S PRINCIPALS AND EXECUTIVES</u>

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _________, 20___, by and between ____________________________ ("**us**" "**we**" "**our**" or the "**Franchisee**"), and ____________________________, who is a Principal, member, partner, or officer of Franchisee ("**you**" or the "**Member**").

Introduction

BURRITO BLVD FRANCHISE GROUP, LLC (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") for establishing and operating a Burrito Blvd Mexican Grill ("Burrito Blvd"), a fast casual restaurant, which serves burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas and other alcohol if permitted by applicable law. These businesses use Franchisor's trade dress, System, and operate under the name "Burrito Blvd" and marks (each is referred to as a "**Burrito Blvd Restaurant**").

Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Burrito Blvd Restaurant (the "**Restaurant**") under the terms and conditions of the Franchise Agreement.

In connection with your ownership and position with Franchisee, you will be trained by us and/or you will learn of Franchisor's confidential information and know-how concerning the methods of operation of a Burrito Blvd Restaurant and the System.

Now, therefore, it is agreed that as a consideration your relationship with Franchisee and the rights granted to Franchisee under the Franchise Agreement, you acknowledge and agree that you will comply with all of the following obligations:

1. **<u>Burrito Blvd Confidential Information</u>**. You agree that you will not, at any time (whether during or after the term of the Franchise Agreement or the time of your relationship with Franchisee), communicate or divulge Burrito Blvd Confidential Information to any Person, and that you will not use Burrito Blvd Confidential Information for your own benefit or for the benefit of any other Person.

2. **<u>Definitions</u>**. As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Burrito Blvd Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the

Restaurant and the System that you may learn of or that otherwise becomes known to you during the term of the Franchise Agreement or the time of your relationship with Franchisee (whether or not Franchisor or we have specifically designated that information as "confidential"). Burrito Blvd Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. Burrito Blvd Confidential Information does not, however, include information that you can show came to your attention before it was disclosed to you by us or Franchisor; and Burrito Blvd Confidential Information also does not include information that, at or after the time when we or Franchisor disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term "**Person**" means any person, persons, partnership, entity, association, or corporation (other than the Franchisor or Franchisee).

c. The term "**Post-Term Period**" means a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 15 of the Franchise Agreement; (b) expiration or termination of the Franchise Agreement (regardless of the cause for termination); (c) termination of your relationship with Franchisee for any reason; and/or (d) a final order of a court of competent jurisdiction enforcing of this Agreement.

3. Covenants Not to Compete.

a. You understand and acknowledge that due to your relationship with us, you will receive valuable specialized training and access to Burrito Blvd Confidential Information.

b. You covenant and agree that during the term of the Franchise Agreement, unless Franchisor gives you prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Restaurant (or of any Burrito Blvd Restaurant) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System;

iii. Employ or seek to employ any individual who is then employed by us, Franchisor, or employed by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment; and/or

iv. Directly or indirectly for yourself or on behalf of, or in conjunction with any Person, own, maintain, operate, engage in, or have any interest in any business that is the same as or similar to the Restaurant.

c. You covenant and agree that during the term Post-Term Period, unless Franchisor gives you its prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Own, maintain, operate, engage in, or have any interest in any business that is the same as or similar to the Restaurant, if that business is located (or if it is intended to be located) within the Territory or within a radius of fifteen (15) miles of any other Burrito Blvd Restaurant located anywhere; and/or.

ii. Employ or seek to employ any individual who is then employed by us, Franchisor, or employed by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment.

4. Legal and Equitable Remedies. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. We will have the right to enforce this Agreement and any of its provisions by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney's fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

5. Severability. Each of the provisions of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow us or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court's less-restrictive interpretation of that clause.

6. Delay. No delay or failure by us or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

7. **Third-Party Beneficiary.** You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, Member has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of ____________, 20 .

MEMBER

Signature:__________________________

Printed Name:______________________

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

EXHIBIT F - 2
CONFIDENTIALITY AND NON-COMPETE
FOR FRANCHISEE'S EMPLOYEES

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _________, 20___, by and between ____________ ("**us**" "**we**" "**our**" or the "**Franchisee**"), and ___________________________, an employee of Franchisee ("**you**" or the "**Employee**").

Introduction

BURRITO BLVD FRANCHISE GROUP, LLC (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") for establishing and operating a fast casual restaurant, which serves burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas and other alcohol if permitted by applicable law. These businesses use Franchisor's trade dress, System, and operate under the name "Burrito Blvd" and marks (each is referred to as a "**Burrito Blvd Restaurant**").

Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Burrito Blvd Restaurant (the "**Restaurant**") under the terms and conditions of the Franchise Agreement.

In connection with starting or continuing your employment with Franchisee, you will be trained by us and you will learn of Franchisor's confidential information and know-how concerning the methods of operation of a Burrito Blvd Restaurant and the System.

Now, therefore, it is agreed that as a consideration of starting or continuing your employment, as a condition to your employment and the compensation that we have paid to you (and/or will pay you after today), you acknowledge and agree that you will comply with all of the following obligations:

1. **Burrito Blvd Confidential Information**. You agree that you will not, at any time (whether during or after your time of employment with us), communicate or divulge Burrito Blvd Confidential Information to any Person, and that you will not use Burrito Blvd Confidential Information for your own benefit or for the benefit of any other Person.

2. **Definitions**. As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Burrito Blvd Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the Restaurant and the System that you may learn of or that otherwise becomes known to you during the time of your employment with us (whether or not the Franchisor or we have specifically designated that information as “confidential”). Burrito Blvd Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. However, Burrito Blvd Confidential Information does not include information that you can show came to your attention before it was disclosed to you by us or Franchisor; and Burrito Blvd Confidential Information also does not include information that, at or after the time when we disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term “**Person**” means any person, persons, partnership, entity, association, or corporation (other than the Company or Franchisor).

c. The term “**Post-Term Period**” means a continuous uninterrupted period of (check as applicable) ☐ one (1) year if you are a manager or perform managerial responsibilities, or ☐ six (6) months if you are a non-managerial employee from the date of: (a) termination of your employment with us for any reason; and/or (b) a final order of a court of competent jurisdiction enforcing of this Agreement.

3. Covenants Not to Compete.

a. You understand and acknowledge that due to your employment with us, you will receive valuable specialized training and access to Burrito Blvd Confidential Information.

b. You covenant and agree that during the term of your employment, unless Franchisor gives you its prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Restaurant (or of any Burrito Blvd Restaurant) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System;

iii. Employ or seek to employ any individual who is then employed by us, or employed by Franchisor or any of Franchisor’s franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment; and/or

iv. Directly or indirectly for yourself or on behalf of, or in conjunction with any Person, own, maintain, operate, engage in, or have any interest in any business that is the same as or similar to the Restaurant.

c. You covenant and agree that during the term Post-Term Period, unless Franchisor gives you its prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Own, maintain, operate, engage in, or have any interest in any business that is the same as or similar to the Restaurant, if that business is located (or if it is intended to be located) within a radius of fifteen (15) miles of any other Burrito Blvd Restaurant located anywhere at that time; and/or;

ii. Employ or seek to employ any individual who is then employed by us, Franchisor, or by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment.

4. Legal and Equitable Remedies. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. We will have the right to enforce this Agreement and any of its provisions by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney's fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

5. Severability. Each of the provisions of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow us or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court's less-restrictive interpretation of that clause.

6. Delay. No delay or failure by us or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

7. **Third-Party Beneficiary.** You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with us.

IN WITNESS WHEREOF, Employee has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ___day of ___________, 2024.

EMPLOYEE

Signature:________________________

Printed Name:_____________________

BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
EXHIBIT G
LEASE TERMS

In accordance with Section 5.2 of this Franchise Agreement, Franchisee's lease or sublease for the premises of the Restaurant shall contain terms acceptable to Franchisor, which may include (but are not limited to) the following:

1. The initial term of the lease, or initial term together with renewal terms, will be for not fewer than ten (10) years.

2. A provision stating that the lessor consents to Franchisee's use and display of the Proprietary Marks and signage as Franchisor may prescribe from time to time for the Restaurant, subject only to the provisions of applicable law.

3. A provision that Franchisee shall have the right to alter, renovate, add, remodel, modify, and/or change the premises and/or other improvements upon the premises as Franchisee may deem desirable, provided that if any such alterations, renovations, additions, modifications, remodeling and/or changes to the premises and/or improvements upon the premises affect the exterior, structural elements or foundation of the premises, Franchisee shall first obtain the consent of the lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

4. A provision that the premises be used solely for the operation of a franchised Burrito Blvd Restaurant, which is a fast casual restaurant, which serves burritos, nachos, tacos, quesadillas, empanadas, frozen Margaritas and other alcohol if permitted by applicable law.

5. A provision that requires the lessor to concurrently provide Franchisor with a copy of any written notice of deficiency under the lease sent to Franchisee, and that the lessor will provide Franchisor with written notice specifying deficiencies that Franchisee did not cure.

6. A provision that grants to Franchisor, in its sole discretion, the right (but not obligation) to cure any deficiency under the lease within thirty (30) days after the expiration of the period in which Franchisee had to cure any such default should Franchisee fail to do so.

7. A provision acknowledging that, in the event the Franchise Agreement for the Restaurant expires or is terminated: (a) Franchisee is obligated under the Franchise Agreement to take certain steps to de-identify the location as a Burrito Blvd Restaurant operated by Franchisee; and (b) the lessor will cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against the Franchisee, including allowing Franchisor, its employees and agents to enter and remove signs, decor and

materials bearing or displaying any Proprietary Marks, designs or logos of Franchisor, provided that the lessor shall not be required to bear any expense thereof.

8. A provision that expressly states that any default under the lease shall constitute a default under the Franchise Agreement, and that the termination of the Franchise Agreement shall constitute a default under the lease.

9. A provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of the franchise grant.

10. A provision that expressly requires that, if requested by Franchisor, the lessor of the premises will provide Franchisor all sales and other information the lessor may have related to the operation of the Restaurant.

11. Franchisee is restricted from accepting any requirement under the lease that seeks to impose any restrictions (territorial or otherwise) on the development or operation of other Burrito Blvd Restaurants by Franchisee, Franchisor, or any other person or entity.

12. A provision that the lessor agrees that Franchisee may not assign the lease or sublease all or any part of its occupancy rights thereunder without Franchisor's prior written consent.

13. A provision that the lessor's consent to an assignment of the lease or subletting of the Premises will not be required in connection with an assignment or subletting Franchisor, or any parent, subsidiary or affiliated corporation of Franchisor or Franchisee, or another operator that has been approved by Franchisor to be the franchisee for the Restaurant.

14. A provision that prohibits the lessor from selling or leasing, or allowing the sublease of, space in the building or on the property to any person or entity for a retail food business that will consist predominantly of Mexican cuisine. Additionally, the lessor shall not sell and shall prohibit any other tenant or subtenant in the building, or on the property, from engaging in activities predominantly related to the sale of Mexican cuisine. In the event lessor does not comply with these restrictions, Franchisor will have the right to seek an injunction prohibiting the occupancy by the new competing business or against the existing tenant as the case may be.

EXHIBIT H TO THE FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDUM

EXHIBIT H TO THE FRANCHISE AGREEMENT

ADDENDUM TO THE BURRITO BLVD FRANCHISE GROUP, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for BURRITO BLVD FRANCHISE GROUP, LLC for the State of Maryland for BURRITO BLVD FRANCHISE GROUP, LLC Franchise Agreement. The amendments to the agreement included in this addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Franchise Agreement shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The appropriate sections of the Franchise Agreement are amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Based upon our financial condition, the Maryland Securities Commissioner requires that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the agreement.**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 2024.

BURRITO BLVD FRANCHISE GROUP, LLC

By:______________________________
Name:____________________________
Title:_____________________________

FRANCHISEE:

____

EXHIBIT H TO THE FRANCHISE AGREEMENT

**ADDENDUM TO THE BURRITO BLVD FRANCHISE GROUP, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

BURRITO BLVD FRANCHISE GROUP, LLC

By:________________________________
Name:______________________________
Title:_______________________________

FRANCHISEE:
By:________________________________
Name:______________________________
Title:_______________________________

EXHIBIT F TO THE FRANCHISE
DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT

BURRITO BLVD FRANCHISE GROUP, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

BURRITO BLVD FRANCHISE GROUP, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

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BURRITO BLVD FRANCHISE GROUP, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

Burrito Blvd Franchise Group, LLC, a California limited liability company, with its principal place of business at 1401 21st Street, Suite R, Sacramento, CA 95811 ("Franchisor"), and ___________________ whose principal address is ________________ (hereinafter "Multi-Unit Developer").

W I T N E S S E T H:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment and operation of Burrito Blvd Mexican Grill offering burritos, tacos and empanadas—using high quality, natural ingredients and include vegan and gluten-free options, under the trade name "Burrito Blvd Mexican Grill" (the "System").

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, re-designed and further developed by Franchisor from time to time, and;

WHEREAS, Franchisor identifies the System by means of those certain trademarks specified in Attachment A to this Agreement and such other trademarks, trade names, logos, emblems, and indicia of origin as may hereafter be designated by Franchisor in writing for use in connection with the System in the Territory ("Marks" or "Proprietary Marks"), and;

WHEREAS, Multi-Unit Developer recognizes the benefits to be derived from being identified with and being a multi-unit developer of Franchisor and being able to utilize the System and the Marks, and;

WHEREAS, Multi-Unit Developer wishes to obtain certain development rights to open and operate Restaurants operating under the Marks under the System within the development area described in this Agreement;

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

SECTION I
GRANT

1.1 Franchisor hereby grants to Multi-Unit Developer, pursuant to the terms and conditions of this Agreement, certain development rights ("Development Rights") to establish and operate ______ (_) Burrito Blvd Mexican Grill restaurants ("Restaurant"), and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Exhibit "A" of this Agreement (hereinafter "Minimum Performance Schedule").

Each Restaurant developed hereunder shall be located in the area described in Exhibit "B" of this Agreement (hereinafter "Development Area").

1.2 Each Restaurant for which a Multi-Unit Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between Multi-Unit Developer and Franchisor in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, Franchisor shall not establish, nor franchise anyone other than Multi-Unit Developer to establish, a Restaurant in the Development Area during the term of this Agreement, provided Multi-Unit Developer is not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to Multi-Unit Developer any right to use the Marks or System.

1.5 Multi-Unit Developer shall have no right under this Agreement to franchise others under the Marks or System.

SECTION II
DEVELOPMENT FEE

In consideration of the development rights granted herein, Multi-Unit Developer shall pay to Franchisor a development fee ("Development Fee") of _____________ US Dollars ($_________USD), which is due upon execution of this Agreement. The Development Fee is an amount equal to the full initial franchise fee for the first Restaurant to be developed under the Development Agreement, plus Twenty-Five Thousand Dollars ($25,000) for each Restaurant after the first.

The Development Fee shall be fully earned by Franchisor execution of this Agreement, and shall be for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the Development Rights granted Multi-Unit Developer herein.

SECTION III
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 In the event Multi-Unit Developer finds a location for a Restaurant without the assistance of Franchisor, then in such event, Multi-Unit Developer shall submit to Franchisor for its evaluation and acceptance, in the form specified by Franchisor, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor, which confirms Multi-Unit Developer's favorable prospects for obtaining the site. Franchisor shall have fifteen (15) days after receipt of such information and materials from Multi-Unit Developer to accept or not accept the site in its sole discretion. If the site is accepted, the Multi-Unit Developer will then be presented with the then-current Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, Multi-Unit Developer agrees to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Failure by Multi-Unit Developer to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof.

3.3 Multi-Unit Developer shall exercise each Multi-Unit Development Right granted herein only by executing a Franchise Agreement for each Restaurant at a site approved by Franchisor in the Development Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from Franchisor for the approved site and return same to Franchisor for its execution. The Franchise Agreement for the first Multi-Unit Development Right exercised hereunder shall be the then-current form of Franchise Agreement. The Franchise Agreement for each additional Multi-Unit Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Advertising Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event Franchisor does not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to Multi-Unit Developer, Franchisor's approval of the site shall be void and Multi-Unit Developer shall have no rights with respect to said site. In no event shall a Restaurant be opened for business unless and until a fully executed Franchise Agreement is in effect.

3.4 Multi-Unit Developer acknowledges that the approval of a particular site for a Restaurant by Franchisor shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

3.5 Multi-Unit Developer shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Restaurant to be opened pursuant to said Franchise Agreement. In no event shall Multi-Unit Developer relinquish control over each entity operating each Restaurant.

SECTION IV
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, Franchisor grants to Multi-Unit Developer the right ("Development Rights") to develop Restaurants within the Development Area. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may include the right to develop Restaurants at "Non-Traditional Sites" within the Development Area. Non-Traditional Sites include without limitation military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

4.2 Provided Multi-Unit Developer is in full compliance with all the terms and conditions of this Agreement, including without limitation Multi-Unit Developer's development obligations described in Section 3.2, and Multi-Unit Developer is in full compliance with all of its obligations under all Franchise Agreements executed pursuant to this Agreement, then during the term of this Agreement neither Franchisor nor any of its affiliates will develop or operate or grant franchises for the development or operation of Restaurants within the Development Area, except the franchises that are granted to Multi-Unit Developer pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, Franchisor and its affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Restaurants within the Development Area subject only to the territorial rights granted to Multi-Unit Developer with respect to Restaurants operated by Multi-Unit Developer pursuant to the Franchise Agreements.

SECTION V
RENEWAL

This Agreement shall not be subject to renewal; however, if Multi-Unit Developer wishes to purchase a new Development Area and continue to develop Restaurants, Franchisor will, in good faith, negotiate a new Multi-Unit Development Agreement with Multi-Unit Developer.

SECTION VI
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Exhibit "A".

6.2 If, at any time or from time to time following the opening for business of all the Restaurants in accordance with the Minimum Performance Schedule, Franchisor determines that it is desirable to operate one or more additional Restaurants in the Development Area, and provided Multi-Unit Developer has timely complied with the Minimum Performance Schedule and is then in compliance with all terms and conditions of all Franchise Agreements, Multi-Unit Developer shall have a right of first refusal to obtain the Development Rights to such additional Restaurant(s) upon such reasonable terms and conditions as are then determined by Franchisor including, but not limited to, the imposition of a new Development Fee and the payment of the then-current Initial Franchise Fee upon execution of the then-current Franchise Agreement. In such case, Franchisor shall advise Multi-Unit Developer in writing of the terms and conditions for the acquisition of the Development Rights for such additional Restaurant(s). Multi-Unit Developer must notify Franchisor in writing within sixty (60) days of the receipt of such notice whether it wishes to acquire the Development Rights to the one or all of such additional Restaurant(s). If Multi-Unit Developer does not exercise this right of first refusal, in whole, Franchisor may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Restaurant(s) to any other person or persons on the same terms and conditions or Franchisor itself may elect to develop and construct any of such additional Restaurant(s).

SECTION VII
OBLIGATIONS OF MULTI-UNIT DEVELOPER

7.1 Multi-Unit Developer acknowledges and agrees that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to Franchisor for its approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by Franchisor to Multi-Unit Developer of any rights to use the Marks, the System, or to open or operate any Restaurants within the Development Area. Multi-Unit Developer shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by both Multi-Unit Developer and Franchisor and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to Multi-Unit Developer and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section XI hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and Franchisor retains the right, in its sole discretion:

(a) To continue to construct and operate other Restaurants and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by Franchisor as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as Franchisor may deem advisable and without granting Multi-Unit Developer any rights therein.

(c) To develop, merchandise, sell and license others to sell any products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries and other non-Restaurant outlets outside or inside of the Development Area and to use the Marks in connection therewith.

(d) To promote or conduct special events within the Development Area, provided, however, that the opportunity to conduct each special event shall first be offered to Multi-Unit Developer in accordance with the terms of any valid and effective Franchise Agreement.

7.1.4 Multi-Unit Developer has sole responsibility for the performance of all obligations arising out of the operation of his business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in its relationship with other persons, and in any documents, Multi-Unit Developer shall indicate clearly the independent ownership of Multi-Unit Developer’s business and that the operations of said business are separate and distinct from the operation of a Burrito Blvd Mexican Grill business.

7.1.6 Multi-Unit Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Multi-Unit Developer by Franchisor and Multi-Unit Developer shall disclose such information or materials only to such of the Multi-Unit Developer’s employees or agents who must have access to it in connection with their employment. Multi-Unit Developer shall not at any time, without Franchisor’s prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 Multi-Unit Developer shall comply with all requirements of the laws, rules and regulations of the country (or countries) in which the Development Area is located, as well as any local laws, rules and regulations.

7.1.8 Multi-Unit Developer shall at no time have the right to sub-franchise any of its Development Rights hereunder.

SECTION VIII
SERVICES OF FRANCHISOR

Franchisor shall, at its expense, provide the following services:

8.1 Review the Multi-Unit Developer's site selection for conformity to standards and criteria for selection and acquisition of sites upon Franchisor's receipt of Multi-Unit Developer's written request for approval thereof.

8.2 Provide Multi-Unit Developer with standard specifications and layouts for the layout, interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Restaurants as Franchisor makes available to all Multi-Unit Developers and franchisees from time to time.

8.3 Review of the Multi-Unit Developer's site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon Franchisor's receipt of Multi-Unit Developer's written request for approval thereof.

8.4 Conduct such on-site evaluation as Franchisor may, in its sole discretion, deem advisable as part of its evaluation of Multi-Unit Developer's request for site acceptance, provided however, that Franchisor shall not be required to provide such on-site evaluation for any proposed site prior to Franchisor's receipt of a description of such proposed site and a letter of intent (subject to Franchisor's approval) or other evidence satisfactory to Franchisor which confirms Multi-Unit Developer's favorable prospects for obtaining the proposed site. If deemed appropriate and if the site requires inspection, Franchisor may conduct on-site inspections. Multi-Unit Developer shall reimburse Franchisor for reasonable travel expenses, including food, lodging and other reasonable out of pocket expenses for Franchisor's representative, associated with all site approval inspections.

8.5 Provide such other resources and assistance as may hereafter be developed and offered by Franchisor to its other multi-unit developers.

SECTION IX
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for Franchisor, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement:

9.1.1 If Multi-Unit Developer shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If Multi-Unit Developer shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are the property of Franchisor except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.1.3 If Multi-Unit Developer, or persons controlling, controlled by or under common control with Multi-Unit Developer, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by Multi-Unit Developer within the Development Area or in any Restaurant which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

9.1.4 If Multi-Unit Developer shall fail to remit to Franchisor any payments pursuant to Section II when same are due.

9.1.5 If Multi-Unit Developer shall begin work upon any Restaurant at any site unless all the conditions stated in Section III hereof have been met.

9.1.6 If Multi-Unit Developer shall purport to effect any assignment other than in accordance with Section XI hereof.

9.1.7 Except as provided in Section XI hereof, if Multi-Unit Developer attempts to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.8 If Multi-Unit Developer makes, or has made, any material misrepresentation to Franchisor in connection with obtaining this Multi-Unit Development Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.9 If Multi-Unit Developer fails to obtain Franchisor's prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.1.10 If Multi-Unit Developer defaults in the performance of any other obligation under this Agreement.

9.1.11 If Multi-Unit Developer defaults in the performance of any obligation under any Franchise Agreement with Franchisor, provided such default results in the termination of the Franchise Agreement.

9.1.12 If Multi-Unit Developer suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and Multi-Unit Developer promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.13 If Multi-Unit Developer or a shareholder of Multi-Unit Developer owning twenty-five percent (25%) or more of Multi-Unit Developer's voting stock is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.14 If Multi-Unit Developer, or any person controlling, controlled by or under common control with Multi-Unit Developer, shall become insolvent by reason of inability to pay their debts as they mature; shall be adjudicated a bankrupt; shall file or have filed against any of them a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the country (or of any country, if the Development Area encompasses multiple countries) in which Multi-Unit Developer is operating; or if a receiver, permanent or temporary, of the business, assets or property of Multi-Unit Developer or any such person, or any part thereof, is appointed by a court of competent authority; or if Multi-Unit Developer or any such person requests the appointment of a receiver or makes a general assignment for the benefit of creditors or if a final judgment against Multi-Unit Developer or any such person remains unsatisfied or record for sixty (60) days or longer; or if the bank accounts, property or receivables of Multi-Unit Developer or any such person are attached and such attachment proceedings are not dismissed within a sixty (60) day period; or if execution is levied against the business or property of Multi-Unit Developer or any such person or suit to foreclose any lien or mortgage against any of the Restaurants, the premises thereof or equipment thereon is instituted and not dismissed within thirty (30) days.

9.1.15 If Multi-Unit Developer, or any shareholder or principal, if Multi-Unit Developer is not an individual, or any of its affiliates ceases to operate all of the Restaurants opened pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in Section 9.1, Franchisor may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by Franchisor to Multi-Unit Developer of any of the events stated in this Section 9, Subparagraphs 9.1.1 through 9.1.14, if such defaults are not cured within such period. However, termination shall be effective immediately, without notice and without the necessity of further action by Franchisor, upon occurrence of any of the events specified in this Section 9, Subparagraphs 9.1.1 or 9.1.12 or 9.1.15, except where prohibited by any applicable law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law.

SECTION X
MULTI-UNIT DEVELOPER'S OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, Multi-Unit Developer agrees as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Restaurants.

10.1.2 To cease immediately to hold itself out in any way as a multi-unit developer of Franchisor or to do anything which would indicate a relationship between it and Franchisor.

10.2 No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION XI
TRANSFER OF INTEREST

11.1 This Agreement is personal to Multi-Unit Developer and Multi-Unit Developer shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of Franchisor. Multi-Unit Developer understands that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Paragraph shall constitute a material breach of this Agreement.

11.2 In the event that Multi-Unit Developer is a corporation or desires to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive the prior written approval of Franchisor and Multi-Unit Developer agrees to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to Franchisor and other parties designated by Franchisor. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Restaurant(s) pursuant to the terms and conditions of the Franchise Agreements with Franchisor, and all assets related to the operation of the Restaurant(s) shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by Franchisor for such assignment to a corporate entity.

11.3 If Multi-Unit Developer is a corporation or if Multi-Unit Developer's rights hereunder are assigned to a corporate entity, the Multi-Unit Developer, or those individuals disclosed to Franchisor shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve Multi-Unit Developer of personal liability to Franchisor for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to Franchisor's prior written approval. Franchisor agrees that it will not unreasonably restrict the issuance or transfer of equity, provided that Multi-Unit Developer complies with the provisions of this Section XI, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of Franchisor. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with Burrito Blvd Franchise Group, dated __________. Reference is made to said Multi-Unit Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."**

11.4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section XI. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded without the prior express written consent of Franchisor, which shall be given at the sole discretion of Franchisor. In the event that Franchisor approves a public offering of Multi-Unit Developer, Multi-Unit Developer shall present the offering circular or prospectus to Franchisor for its review within a reasonable time prior to such offering becoming effective. In no event shall Multi-Unit Developer offer its securities by use of the name "Burrito Blvd" or any name deceptively similar thereto, however, Multi-Unit Developer may make appropriate reference to the fact the Multi-Unit Developer has a Multi-Unit Development Agreement with Franchisor; nor shall Multi-Unit Developer relinquish control of the new public company. Multi-Unit Developer agrees to indemnify and hold Franchisor harmless from and against any claims, suits, actions or otherwise which arise out of or from such public offering.

11.5 In the event of the death, disability or permanent incapacity of Multi-Unit Developer, Franchisor shall consent to the transfer of all of the interest of Multi-Unit Developer to Multi-Unit Developer's spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by Multi-Unit Developer's Last Will and Testament or by operation of law, provided that the requirements of Section XI hereof have been met. In the event that Multi-Unit Developer's heirs do not obtain the consent of Franchisor as prescribed herein, the personal representative of Multi-Unit Developer shall have a reasonable time to dispose of Multi-Unit Developer's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 Multi-Unit Developer has represented to Franchisor that he is entering into this Multi-Unit Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, Multi-Unit Developer agrees that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Restaurant(s) to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if Multi-Unit Developer receives from an unaffiliated third party and desires to accept a bona fide written offer to purchase its business, Development Rights and interests, Franchisor shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including Multi-Unit Developer's right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that Franchisor may have information sufficient to enable it to determine whether to exercise its option, Franchisor may require Multi-Unit Developer to deliver to Franchisor certified financial statements as of the end of Multi-Unit Developer's most recent fiscal year and such other information about the business and operations of Multi-Unit Developer as Franchisor may request. If Franchisor declines, or does not accept the offer in writing within thirty (30) days, Multi-Unit Developer may, within thirty (30) days from the expiration of the option period, sell, assign and transfer its business, Development Rights and interest to said third party, provided Franchisor has consented to such transfer as required by this Section XI. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by Franchisor or its nominee, as in the case of an initial offer. Failure by Franchisor to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 Multi-Unit Developer acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as Franchisor's reputation and image, and are for the protection of Franchisor, Franchisor, Multi-Unit Developer and other multi-unit developers. Any assignment or transfer permitted by this Section XI shall not be effective until Franchisor receives a completely executed copy of all transfer documents, and Franchisor consents in writing thereto.

11.9 Except as provided in Section 11.6 hereof, Franchisor agrees not to unreasonably withhold its consent to a sale, assignment or transfer by Multi-Unit Developer hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All obligations of the Multi-Unit Developer created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of Multi-Unit Developer to Franchisor or its affiliated or subsidiary corporations are paid.

11.9.3 Multi-Unit Developer is not in default hereunder.

11.9.4 Franchisor is reasonably satisfied that the transferee meets all of the requirements for new Multi-Unit Developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, Franchisor's standard form of Multi-Unit Development Agreement, Franchise Agreements for all Restaurants open or under construction hereunder, and such other then-current ancillary agreements being required by Franchisor of new Multi-Unit Developers on the date of transfer.

11.9.6 Multi-Unit Developer executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor, Franchisor, and their respective officers, directors, employees and principal stockholders of any and all claims and causes of action that he may have against Franchisor or Franchisor or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by Franchisor.

11.9.7 Multi-Unit Developer or transferee pays to Franchisor a transfer fee in the amount of Ten Thousand U.S. Dollars (US$10,000), to cover Franchisor's reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in Multi-Unit Developer, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by Franchisor within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in Multi-Unit Developer or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, Franchisor shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to Multi-Unit Developer's representative, or Franchisor shall have the right to re-purchase same at the same price being sought by the Multi-Unit Developer's representative.

11.11 Franchisor's consent to a transfer of any interest in Multi-Unit Developer or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 Franchisor shall have the right, without the need for Multi-Unit Developer's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity, subject only to the provisions of the Master Franchise Agreement.

11.13 This Agreement shall inure to the benefit of Franchisor, its successors and assigns, and Franchisor shall have the right to transfer or assign all or any part of its interest herein to any person or legal entity, provided such transferee agrees to perform all of Franchisor's obligations hereunder.

SECTION XII
COVENANTS

12.1 Multi-Unit Developer specifically acknowledges that, pursuant to this Agreement, Multi-Unit Developer will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of Franchisor and the System. Multi-Unit Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Multi-Unit Developer and persons controlling, controlled by or under common control with Multi-Unit Developer, shall not, either directly or indirectly, for himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by Franchisor or by any other franchisee or Multi-Unit Developer of Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any food service business other than the Franchised Business (including any business operated by Multi-Unit Developer prior to entry into this Agreement) that is the same as or similar to a Burrito Blvd Mexican Grill (including, without limitation, taco trucks, markets, Mexican restaurants, cafés, and restaurants.) ("Menu Items") for on-premises and carry-out consumption or delivery and/or operating a similar Restaurant concept selling the Menu Items sold by Franchisor or any of its franchisees or which Multi-Unit Developer may be authorized to offer in connection with the Franchised Business.

12.2 Multi-Unit Developer covenants that, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for himself or herself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business other than the Franchised

Business specializing, in whole or in part, in the sale of Menu Items for on-premises and carry-out consumption or delivery and/or operating a similar Restaurant concept selling the Menu Items, its franchisees or any other type of service which Multi-Unit Developer may be authorized to offer in connection with the Franchised Business, which is located within ten (10) kilometers of any Burrito Blvd Mexican Grill in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by Multi-Unit Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is publicly traded.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XII is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XII.

12.5 Multi-Unit Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof, and Multi-Unit Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

12.6 Multi-Unit Developer expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XII.

12.7 Multi-Unit Developer acknowledges that any failure to comply with the requirements of this Section XII would cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Multi-Unit Developer hereby accordingly consents to Franchisor's seeking injunctive relief prohibiting any conduct by Multi-Unit Developer in violation of the terms of this Section XII. Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement or otherwise.

12.8 At Franchisor's request, Multi-Unit Developer shall require and obtain the execution of covenants similar to those described in this Section XII (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) from any or all of the following persons:

12.8.1 All Restaurant managers of Multi-Unit Developer who have received training from Franchisor;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Multi-Unit Developer and of any entity directly or indirectly controlling Multi-Unit Developer, if Multi-Unit Developer is a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if Multi-Unit Developer is a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Multi-Unit Developer to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section IX hereof.

12.9 During the term of this Agreement, an officer or agent of Franchisor shall have the right to inspect any Restaurant in which Multi-Unit Developer has an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section XII are being satisfied. If, by reason of such inspections or otherwise, Franchisor has reason to believe that Multi-Unit Developer is not in full compliance with the terms of this Section, Franchisor shall give notice of such default to Multi-Unit Developer, specifying the nature of such default. If Multi-Unit Developer denies that it is in default hereunder, as specified by Franchisor, it shall have the burden of establishing that such default does not exist and shall give notice to Franchisor of its position within ten (10) days of receipt of the notice from Franchisor. Unless Multi-Unit Developer so denies such default, it shall immediately take all steps to cure said default in a manner satisfactory to Franchisor.

SECTION XIII
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: BURRITO BLVD FRANCHISE GROUP, LLC
1401 21st Street, Suite R, Sacramento, CA 95811
Attention: Andrea Ballus
e-mail:__________________

Notices to the Multi-Unit Developer: ______________________________
____
____
e-mail___________________

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION XIV
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 Multi-Unit Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Multi-Unit Developer agrees to take such actions as shall be necessary to that end.

14.3 Multi-Unit Developer understands and agrees that nothing in this Agreement authorizes Multi-Unit Developer to make any contract, agreement, warranty or representation on Franchisor's or Franchisor's behalf, or to incur any debt or other obligation in Franchisor's or Franchisor's name, and that Franchisor and Franchisor assume no liability for, nor shall be deemed liable by reason of, any act or omission of Multi-Unit Developer or any claim or judgment arising therefrom. Multi-Unit Developer shall indemnify and hold Franchisor and Franchisor and their respective officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Multi-Unit Developer's activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by actions of Franchisor or Franchisor or actions caused by the negligent acts of Franchisor, Franchisor or their agents.

SECTION XV
APPROVALS

15.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Multi-Unit Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 Franchisor makes no warranties or guarantees upon which Multi-Unit Developer may rely, and assumes no liability or obligation to Multi-Unit Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advise, consent or services to Multi-Unit Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION XVI
NON-WAIVER

No failure of Franchisor to exercise any power reserved to it under this Agreement or to insist upon compliance by Multi-Unit Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Multi-Unit Developer of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

SECTION XVII
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than Franchisor or Multi-Unit Developer, and such of their respective successors and assigns as may be contemplated by Section XI hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Multi-Unit Developer shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Multi-Unit Developer.

17.6 This Agreement may be executed in triplicate, or such other number as is required, and each copy of the executed Agreement shall be deemed an original.

SECTION XVIII
ENTIRE AGREEMENT; APPLICABLE LAW

18.1 This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between Franchisor and Multi-Unit Developer concerning the subject matter hereof and supersede any and all prior agreements. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2 This Agreement shall be interpreted and construed exclusively under the laws of the State of California, USA. Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable shall be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Agreement, which laws shall prevail in the event of any conflict of law, without regard to, and without giving effect to, the application of State of California, choice-of-law rules.

18.3 Except as described in Section 12.7 hereof, any claim or controversy arising out of or related to this Agreement or the making, performance, or interpretation of this Agreement shall be finally settled under the International Arbitration Rules of the American Arbitration Association then in force, including the Supplementary Procedures for International Commercial Arbitration, by one (1) arbitrator appointed by the American Arbitration Association in accordance with said rules. The place of arbitration shall be in Sacramento, CA and the law applicable to the arbitration procedure shall be determined by referring to the law of the place of arbitration. The English language shall be used throughout the arbitral proceedings. All cost of arbitration, including the arbitrator's fee, shall be borne by the losing party. The parties agree that the award of the arbitrator shall be the sole and exclusive remedy between them regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator; that it shall be made and shall promptly be payable in the currency applicable to the Territory free of any tax, deduction or offset; and that any costs, fees, or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The award shall include interest from the date of any damages incurred for breach or other violation of the contract, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than LIBOR plus two percent (2%) per annum, from the date until paid.

18.4 Notwithstanding the foregoing to the contrary, the parties hereto agree that venue for any proceeding, relating to or arising out of this Agreement shall be in the State of California; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief, or (3) involving possession or disposition of, or other relief relating to real property, we may bring such action in any Provincial or Federal Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, relating to this Agreement or the relationship created hereby, this Agreements and any such claims or controversies, disputes or actions shall be governed, enforced and interpreted under California law.

SECTION XIX
TIMELY PERFORMANCE

Multi-Unit Developer hereby acknowledges that its timely development of the Restaurants in the Development Area in accordance with the Minimum Performance Schedule is of material importance to Franchisor and Multi-Unit Developer. Multi-Unit Developer agrees, as a condition of the continuance of the rights granted hereunder, to develop and open Restaurants within the Development Area in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. Franchisor agrees to diligently act upon any request of or approval from Multi-Unit Developer and any material delay in Multi-Unit Developer's ability to meet the Minimum Performance Schedule which is directly caused by Franchisor's failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Development Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Development Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION XX
ACKNOWLEDGMENTS

20.1 MULTI-UNIT DEVELOPER ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON THE ABILITY OF MULTI-UNIT DEVELOPER AS AN INDEPENDENT BUSINESS PERSON. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND MULTI-UNIT DEVELOPER ACKNOWLEDGES NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

20.2 MULTI-UNIT DEVELOPER ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY; AND FRANCHISOR HAS ACCORDED MULTI-UNIT DEVELOPER AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF

MULTI-UNIT DEVELOPER'S OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

20.3 MULTI-UNIT DEVELOPER AND EACH OF ITS PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER IT NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON BEHALF OF FRANCHISOR REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF BURRITO BLVD MEXICAN GRILL OR DEVELOPMENT OF THE DEVELOPMENT AREA.

SECTION XXI
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by Franchisor.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

BURRITO BLVD FRANCHISE GROUP, LLC

By:__________________________
Name: Andrea Ballus
Title: CEO

MULTI-UNIT DEVELOPER:

____

By: __________________________
Name:_________________________
Title:__________________________

By: __________________________
Name:_________________________
Title:__________________________

BURRITO BLVD FRANCHISE GROUP, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
(AREA)

EXHIBIT "A"

Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate three (3) Burrito Blvd Mexican Grill pursuant to a Franchise Agreement for each Restaurant. The following is Multi-Unit Developer's Minimum Performance Schedule:

Restaurant Number	Open & Operating On or Before	Payments Made	Balance Due For Store(s)	Due Date
Fees & Deposits for Units		**$**	**See Below**	Upon simultaneous Execution of Franchise Agreement and Multi-Unit Development Agreement
1				
2				
3				

APPROVED:

MULTI-UNIT DEVELOPER
____

BURRITO BLVD FRANCHISE GROUP, LLC

By: ___________________________
Name:__________________________
Title:___________________________

By:___________________________
Name: Andrea Ballus
Title: CEO

BURRITO BLVD FRANCHISE GROUP, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
([AREA])

EXHIBIT "B"

Development Area

The following describes the Development Area within which Multi-Unit Developer may locate Burrito Blvd Mexican Grill under this Agreement:

APPROVED:

MULTI-UNIT DEVELOPER
________________________________ BURRITO BLVD FRANCHISE GROUP, LLC

By: ___________________________	By: ___________________________
Name: _________________________	Name: Andrea Ballus
Title: __________________________	Title: CEO

BURRITO BLVD FRANCHISE GROUP, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
(AREA)

EXHIBIT "C"

EXISTING RESTAURANTS IN DEVELOPMENT AREA

APPROVED:

______________________________ BURRITO BLVD FRANCHISE GROUP, LLC

By: ________________________ By:________________________
Name:_______________________ Name: Andrea Ballus
Title:_______________________ Title: CEO

EXHIBIT G TO THE FRANCHISE
DISCLOSURE DOCUMENT
LIST OF FRANCHISEES

NEW YORK

Selentis Corp.
48 Fairlane Dr
Selden, NY 11784
(631)831-6150
Attn: Nicolo Selini and Anthony Vintis

40 Commerce Place
Hicksville, NY11801
(516)852-2875
Attn: Manny Cruz and Leo Moreira

EXHIBIT H TO THE FRANCHISE
DISCLOSURE DOCUMENT
LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

None

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDUM

ADDENDUM TO THE BURRITO BLVDFRANCHISE GROUP LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for BURRITO BLVDFRANCHISE GROUP LLC for the State of Maryland for BURRITO BLVDFRANCHISE GROUP LLC's Franchise Agreement. The amendments to the agreement included in this addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Franchise Agreement shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The appropriate sections of the Franchise Agreement are amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Based upon our financial condition, the Maryland Securities Commissioner requires that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the agreement.**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

BURRITO BLVD FRANCHISE GROUP LLC

By:________________________________
Name:______________________________
Title:_______________________________

FRANCHISEE:

________________________ ____________________________________
Witness

ADDENDUM TO THE BURRITO BLVD FRANCHISE GROUP LLC FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of ______________, 20___.

BURRITO BLVDFRANCHISE GROUP LLC

By:_____________________________________
Name:___________________________________
Title:____________________________________

FRANCHISEE:

Witness

EXHIBIT J TO THE FRANCHISE
DISCLOSURE DOCUMENT
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

____
____
____
____
____
____

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K TO THE FRANCHISE
DISCLOSURE DOCUMENT
RECEIPTS

RECEIPT

(KEEP THIS COPY FOR YOUR RECORDS)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Burrito Blvd Franchise Group LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Burrito Blvd Franchise Group LLC, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Burrito Blvd Franchise Group LLC, located at 98 Mineola Blvd., Mineola New York, 11501. Its email address is joseph@burritoblvd.com.

Issuance date: March 19, 2024

The name, principal business address and telephone number of the franchise seller for this offering is Joseph Vetrano, Burrito Blvd Franchise Group LLC, 98 Mineola Blvd, Mineola, New York 11501. His email address is joseph@burritoblvd.com

Burrito Blvd Franchise Group LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I have received a disclosure document dated March 19, 2024 that included the following Exhibits:

A. STATE ADMINISTRATORS
B. LIST OF AGENTS FOR SERVICE OF PROCESS
C. TABLE OF CONTENTS OF OPERATIONS MANUAL
D. FINANCIAL STATEMENTS
E. FRANCHISE AGREEMENT
F. MULTI-UNIT DEVELOPMENT AGREEMENT
G. LIST OF FRANCHISEES
H. LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
I. STATE SPECIFIC ADDENDA
J. STATE EFFECTIVE DATES
K. RECEIPTS

Date:____________________ ____________________________________
(Do not leave blank) Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Burrito Blvd. Franchise Group LLC at 98 Mineola Blvd, Mineola, New York 11501, or emailing a scanned copy of the signed and dated receipt to Burrito Blvd Franchise Group LLC at joseph@burritoblvd.com

RECEIPT

(SIGN THIS COPY THEN RETURN IT TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Burrito Blvd Franchise Group LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Burrito Blvd Franchise Group LLC, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Burrito Blvd Franchise Group LLC, located at 98 Mineola Blvd., Mineola New York, 11501. Its email address is joseph@burritoblvd.com.

Issuance date: March 19, 2024

The name, principal business address and telephone number of the franchise seller for this offering is Joseph Vetrano, Burrito Blvd Franchise Group LLC, 98 Mineola Blvd, Mineola, New York 11501. His email address is joseph@burritoblvd.com

Burrito Blvd Franchise Group LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I have received a disclosure document dated May 9, 2024 that included the following Exhibits:

A. STATE ADMINISTRATORS
B. LIST OF AGENTS FOR SERVICE OF PROCESS
C. TABLE OF CONTENTS OF OPERATIONS MANUAL
D. FINANCIAL STATEMENTS
E. FRANCHISE AGREEMENT
F. MULTI-UNIT DEVELOPMENT AGREEMENT
G. LIST OF FRANCHISEES
H. LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
I. STATE SPECIFIC ADDENDUM
J. STATE EFFECTIVE DATES
K. RECEIPTS

Date:____________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Burrito Blvd. Franchise Group LLC at 98 Mineola Blvd, Mineola, New York 11501, or emailing a scanned copy of the signed and dated receipt to Burrito Blvd Franchise Group LLC at joseph@burritoblvd.com